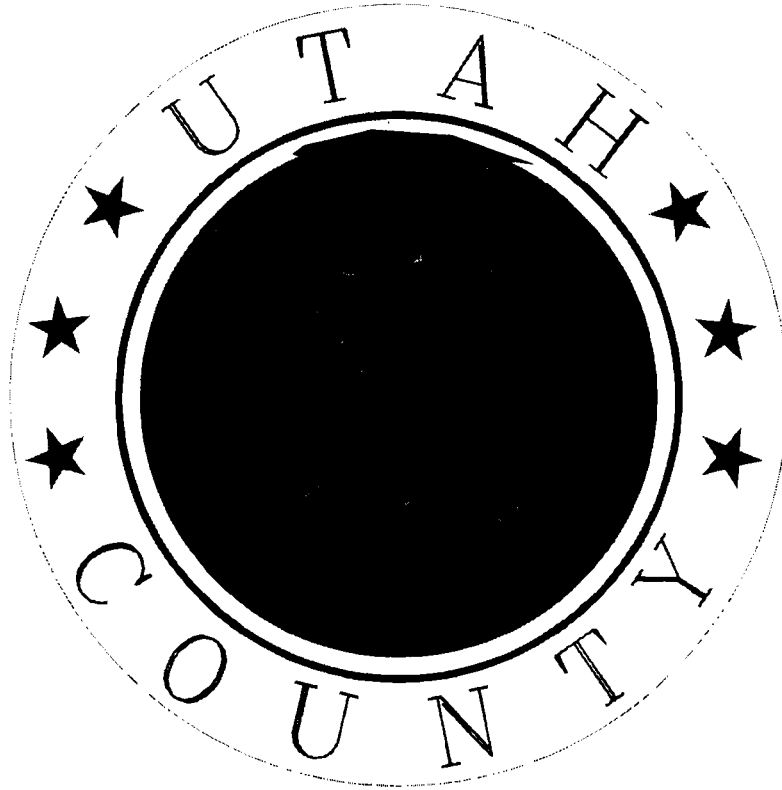


UTAH COUNTY



GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDING DECEMBER 31, 2004

County Government

Utah County Auditor's Office
100 East Center Street, Suite 3600
Provo, Utah 84606

Independent Auditors

Gilbert & Stewart
Certified Public Accountants
A Professional Corporation

UTAH COUNTY

Financial Statements

Year Ended December 31, 2004

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Utah County
Provo, UT

June 17, 2005

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County, Utah, (the County), as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Utah Valley Convention and Visitors Bureau, Timpanogos Special Service District, North Pointe Solid Waste Special Service District and Wasatch Mental Health, which represent 97 percent of the assets, 98 percent of the revenues, and 97 percent of the net assets of the component units. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, Utah Valley Convention and Visitors Bureau, Timpanogos Special Service District, Utah County Solid Waste Special Service District and Wasatch Mental Health, is based solely upon the report of the other auditors.

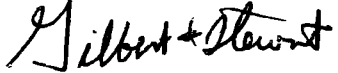
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 12 and Required Supplementary Information on pages 43 through 47 are not a required part of the basic financial statements, but are supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary combining and individual fund statements and schedules described in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2005, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.


GILBERT & STEWART
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Utah County, Utah
Management's Discussion and Analysis
December 31, 2004

As management of Utah County, Utah, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004.

Financial Highlights

- At the close of the most recent fiscal year, the assets of the County exceeded its liabilities by \$162,827,443 (*net assets*). Of this amount, \$56,792,169 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net assets increased by \$12,468,390.
- The total net assets of \$162,827,443 consist of \$93,969,587 in capital assets net of related debt and \$68,857,856 in other net assets.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$58,555,918, an increase of \$4,936,505 in comparison with the prior year. Of this amount, \$36,453,420, or 62 percent of combined ending fund balances, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$6,586,695, or 15 percent of total general fund expenditures.
- The County's total bonded debt decreased by \$2,955,000 (7 percent) during the current fiscal year. The key factors in the change in bonded debt were:
 - Principal debt payments of \$1,735,000 in general obligation bonds, originally issued for the County Administration Building, County Security Center, and McKay Events Center.
 - Principal debt payments of \$1,220,000 in revenue bonds, originally issued for the construction of the Health & Justice Building and Utah County Animal Shelter.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Utah County's finances, in a manner similar to a private-sector business.

- The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Consideration should also be given to other non-financial factors that may affect the net assets.

- The *statement of activities* presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Accordingly, revenues and expenses are reported in this statement with no consideration to when cash is actually received or paid.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public health, highways and streets, and parks and recreation. The County has no business-type activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable. These entities include: Timpanogos Special Service District, North Pointe Solid Waste Special Service District, Wasatch Mental Health, North Fork Special Service District, and the Utah Valley Convention and Visitors Bureau. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Municipal Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Health Department fund, Substance Abuse fund, and Capital Projects fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County has no enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, Jail food service, building maintenance, communication systems (telephone and radio), and information systems support. Because these internal services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's rating system for its roads.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$162,827,443 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (58 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Utah County's Net Assets

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 77,185,165	\$ 71,426,734	\$ 0	\$ 0	\$ 77,185,165	\$ 71,426,734
Capital assets	137,539,174	133,497,081	0	0	137,539,174	133,497,081
Total assets	214,724,339	204,923,815	0	0	214,724,339	204,923,815
Long-term liabilities outstanding	41,708,062	44,891,265	0	0	41,708,062	44,891,265
Other liabilities	10,188,834	9,673,497	0	0	10,188,834	9,673,497
Total liabilities	51,896,896	54,564,762	0	0	51,896,896	54,564,762
Net assets:						
Invested in capital assets, net of related debt	93,969,587	86,641,754	0	0	93,969,587	86,641,754
Restricted	12,065,687	1,030,000	0	0	12,065,687	1,030,000
Unrestricted	56,792,169	62,687,299	0	0	56,792,169	62,687,299
Total net assets	\$162,827,443	\$150,359,053	\$ 0	\$ 0	\$162,827,443	\$150,359,053

An additional portion of the County's net assets (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$56,792,169) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report a positive balance of net assets. The same situation held true for the prior fiscal year.

There was an increase of \$11,035,687 in restricted net assets reported in connection with the County's governmental activities. Over half of this increase resulted from the statutory restriction on certain assets associated with assessing and collecting activities that were not quantified during the prior fiscal year.

The government's net assets increased by \$12,468,390 (8 percent) during the current fiscal year. Revenues increased by \$4,778,839 (6 percent) with increases in charges for services for public safety activities, sales tax collections, and property tax collections accounting for the majority of the increase. Expenses decreased by \$637,507 (1 percent) with a decrease in spending for general governmental activities accounting for the majority of the decrease.

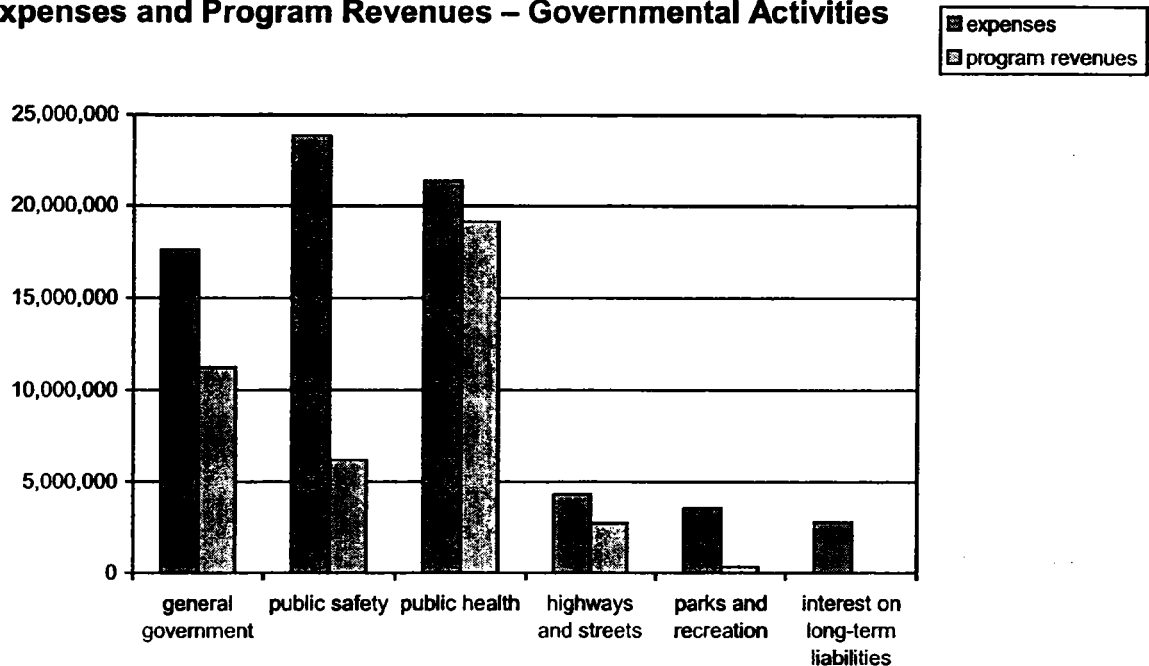
Governmental activities. As the County has no business-type activities, the increase of the County's net assets by \$12,468,390 is entirely attributed to governmental activities. Key elements of this increase are as follows:

Utah County's Changes in Net Assets

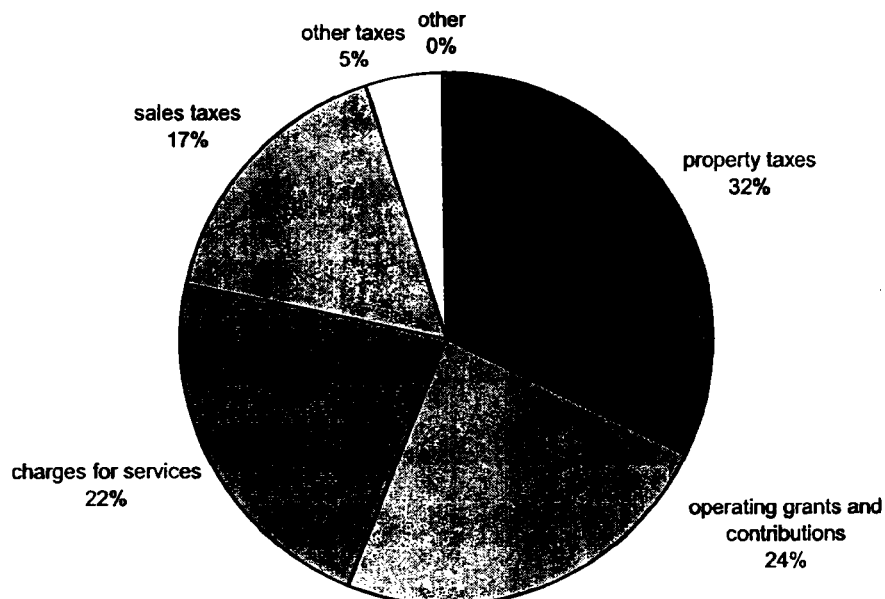
	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 19,057,867	\$ 16,826,254	\$ 0	\$ 0	\$ 19,057,867	\$ 16,826,254
Operating grants and contributions	20,570,179	19,899,227	0	0	20,570,179	19,899,227
General revenues:						
Property taxes	27,671,737	26,227,990	0	0	27,671,737	26,227,990
Other taxes	18,473,108	17,096,064	0	0	18,473,108	17,096,064
Other	186,695	1,131,212	0	0	186,695	1,131,212
Total revenues	85,959,586	81,180,747	0	0	85,959,586	81,180,747
Expenses:						
General government	17,624,680	22,146,990	0	0	17,624,680	22,146,990
Public safety	23,858,296	21,058,698	0	0	23,858,296	21,058,698
Public health	21,359,108	19,977,851	0	0	21,359,108	19,977,851
Highways and streets	4,330,036	4,382,613	0	0	4,330,036	4,382,613
Parks and recreation	3,544,036	3,667,575	0	0	3,544,036	3,667,575
Interest on long-term liabilities	2,775,040	2,894,976	0	0	2,775,040	2,894,976
Total expenses	73,491,196	74,128,703	0	0	73,491,196	74,128,703
Increase in net assets	12,468,390	7,052,044	0	0	12,468,390	7,052,044
Net assets – beginning	150,359,053	143,307,009	0	0	150,359,053	143,307,009
Net assets – ending	\$162,827,443	\$150,359,053	\$ 0	\$ 0	\$162,827,443	\$150,359,053

- Total revenues increased by \$4,778,839 (6 percent).
- Charges for services increased by \$2,231,613 (13 percent). This increase is mostly the result of the following:
 - Combination of growth in services and increases in the County fee schedule.
 - Additional patrol services reimbursed by contract cities and specialized patrol requests reimbursed by outside entities.
- General revenues increased by \$1,876,274 (4 percent). This increase is mostly the result of growth in collections of property and sales taxes.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. The County has no business-type activities.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- **Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financial requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$58,555,918, an increase of \$4,936,505 in comparison with the prior year. Of the total combined ending fund balances, \$51,036,420, or 87 percent, constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to promote recreation, tourism, and conventions (\$1,030,000) and 2) to establish and maintain accurate property valuations (\$6,489,498).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$6,586,695, while total fund balance dropped to \$13,076,193. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 15 percent of total general fund expenditures, while total fund balance represents 29 percent of that same amount.

The fund balance of the County's general fund decreased by \$1,451,171 during the current fiscal year. The primary reason for this decrease is a transfer of nearly \$6 million to the capital projects fund to finance the five-year capital projects plan, which includes an expansion of the jail.

The capital projects plan has a total fund balance of \$16,203,617, all of which is designated for the payment of capital improvement projects. The net increase in fund balance during the current year of \$4,987,782 (44 percent) was a result of a contribution from the general fund net of improvement projects completed during the year.

- **Proprietary funds.** Unrestricted net assets of the internal service funds at the end of the year amounted to \$10,177,147. The total growth in net assets was \$474,198.

General Fund Budgetary Highlights

During the year there was a \$239,257 increase in appropriations between the original and final amended budget. The main component of the increase was a supplemental appropriation to the Sheriff's Office in anticipation of five additional deputies to patrol the canyons and other recreational areas of the County.

The increase was possible because of additional anticipated revenues. Those revenues included an upturn in sales tax collections, an increase in various user charges, and carryovers from prior years' budgets. In addition, during 2004 the Utah State Legislature added a surcharge of \$32 to certain fines levied by city and county justice courts to pay for increased costs of security at the courts. In addition to the increased revenue from the county's own justice court, the law provides that the county is also to receive a portion of the surcharge levied by all city courts within the county. Preliminary estimates indicate the County may receive an additional \$375,000 annually from the new surcharge.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$137,539,174 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 3 percent.

The major capital asset event during the current fiscal year was the completion of construction on the Health & Justice Building and Utah County Animal Shelter.

Utah County's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 22,388,933	\$ 22,786,968	\$ 0	\$ 0	\$ 22,388,933	\$ 22,786,968
Rights of way	210,890	168,640	0	0	210,890	168,640
Construction in progress	0	15,756,933	0	0	0	15,756,933
Buildings	50,858,767	30,448,536	0	0	50,858,767	30,448,536
Improvements other than buildings	4,330,641	4,217,816	0	0	4,330,641	4,217,816
Equipment	4,517,750	4,348,995	0	0	4,517,750	4,348,995
Infrastructure	55,232,193	55,769,193	0	0	55,232,193	55,769,193
Total	\$137,539,174	\$133,497,081	\$ 0	\$ 0	\$137,539,174	\$133,497,081

Additional information on the County's capital assets can be found in the footnotes to this financial report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$41,175,000. Of this amount, \$19,235,000 comprises debt backed by the full faith and credit of the government and \$21,940,000 is debt that is secured solely by specific revenue sources (i.e., revenue bonds).

Utah County's Outstanding Debt General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$ 19,235,000	\$ 20,970,000	\$ 0	\$ 0	\$ 19,235,000	\$ 20,970,000
Revenue bonds	21,940,000	23,160,000	0	0	21,940,000	23,160,000
Total	\$ 41,175,000	\$ 44,130,000	\$ 0	\$ 0	\$ 41,175,000	\$ 44,130,000

The County's total debt decreased by \$2,955,000 (7 percent) during the current fiscal year. The key factor in this decrease was the payment of normally scheduled debt payments made throughout the year.

During 2004, \$2,000,000 in revenue bonds was authorized to fund a museum at the Cabela's store being built in Lehi. The bonds have not yet been issued and, accordingly, are not reflected in the outstanding debt amounts.

The County maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt. The revenue bonds issued for construction of the Health & Justice Building and Utah County Animal Shelter have been rated "Aa3" by Moody's Investors Service and "AAA" by Fitch Ratings.

The State of Utah statutorily limits the amount of general obligation debt a county may issue to two percent of the fair market value of the taxable property in the county. The fair market value of the taxable property in the county is \$23.6 billion; therefore, the current debt limitation for the County is \$472 million, which is significantly in excess of the County's outstanding general obligation debt.

On May 31, 2005, the County Commissioners approved a resolution to authorize the issuance of not more than \$40 million in sales tax revenue bonds to 1) replace higher-interest revenue bonds that paid for construction of the Health and Justice Building and the Utah County Animal Shelter and 2) fund expansion of the jail.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County as of October 2004 was 3.8 percent. This compares favorably to the state's current unemployment rate of 4.9 percent and the current national rate of 5.2 percent (Source: Utah Department of Workforce Services).
- Low interest rates continue to encourage high levels of residential housing construction. Between 2003 and 2004, new dwelling units increased by 1.1 percent with total residential valuation growing by 9.1 percent. Between 2003 and 2004,

nonresidential construction grew by 66.5 percent to \$196.7 million (Source: Utah Department of Workforce Services). New growth generates additional property tax revenue.

- Taxable sales are expected to be even more than last year's strong showing (Source: Utah State Tax Commission).

All of these factors were considered in preparing the County's budget for 2005.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$6,586,695. The County has appropriated \$1,086,063 of this amount for spending in the 2005 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes during the 2005 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Utah County Clerk/Auditor, 100 East Center Street, Suite 3600, Provo, Utah, 84606.

BASIC FINANCIAL STATEMENTS

UTAH COUNTY
Statement of Net Assets
December 31, 2004

	Primary Governmental Activities	Component Units
Assets:		
Cash and Investments	\$ 61,468,091	\$ 13,712,019
Receivables:		
Taxes Receivable	11,772,471	65,515
Other	3,582,798	4,073,974
Inventories	209,250	9,268
Other Current Assets	27,879	232,233
Bond Issuance costs, net	124,676	-
Capital Assets:		
Land	22,388,933	4,673,058
Rights of Way	210,890	-
Buildings	50,858,767	-
Improvements Other Than Buildings	4,330,641	-
Equipment	4,517,750	54,534,866
Infrastructure	55,232,193	-
Other Non Current Assets	-	25,898,038
Total Assets	<u>214,724,339</u>	<u>103,198,971</u>
Liabilities:		
Accounts Payable	\$ 2,067,513	\$ 917,954
Accrued Interest	792,826	565,694
Deferred Revenue	706,621	757,121
Other Liabilities	3,292,586	2,097,656
G.O. Bonds Payable - Due Within One Year	1,795,000	-
Revenue Bonds - Due Within One Year	1,270,000	1,662,305
Capital Leases - Due Within One Year	264,288	382,780
Noncurrent liabilities:		
G.O. Bonds Payable - Due More Than One Year	17,440,000	-
Revenue Bonds - Due More Than One Year	20,670,000	36,236,416
Capital Leases - Due More Than One Year	1,337,473	2,937,241
Compensated Absences	2,260,589	198,334
Total Liabilities	<u>51,896,896</u>	<u>45,755,501</u>
Net Assets:		
Invested in capital assets, net of related debt	93,969,587	17,442,121
Restricted for:		
Debt Service	4,546,189	25,719,091
Assessing and Collecting Property Tax	6,489,498	-
Transient Room Tax	1,030,000	-
Unrestricted	56,792,169	14,282,258
Total Net Assets	<u>\$ 162,827,443</u>	<u>\$ 57,443,470</u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Activities
Year Ended December 31, 2004

	Functions Primary Government				Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Program Revenues		Primary Government Total	Component Units
			Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
General Government	\$ 17,624,680	\$ 10,306,095	\$ 935,233	\$ -	\$ (6,383,352)	\$ -
Public Safety	23,858,296	5,383,271	807,409	-	(17,667,616)	-
Public Health	21,359,108	3,368,501	15,788,232	-	(2,202,375)	-
Highways and Streets	4,330,036	-	2,707,531	-	(1,622,505)	-
Parks and Recreation	3,544,036	-	331,774	-	(3,212,262)	-
Interest on Long-term Liabilities	2,775,040	-	-	-	(2,775,040)	-
Total County	\$ 73,491,196	\$ 19,057,867	\$ 20,570,179	\$ -	(33,863,150)	-
Component Units						
Timpanogos Special Service District	\$ 6,892,468	\$ 5,558,679	\$ -	\$ -	\$ -	\$ (1,333,789)
North Pointe Solid Waste Special Service District	5,598,254	6,311,357	-	-	-	713,103
North Fork Special Service District	520,790	408,839	11,626	-	-	(100,325)
Utah Valley Convention and Visitors Bureau	733,315	983,539	-	-	-	250,224
Wasatch Mental Health	16,878,406	13,125,634	4,349,240	-	-	596,468
	\$ 30,623,233	\$ 26,388,048	\$ 4,360,866	\$ -	-	\$ 125,681
General revenues:						
Property Taxes					19,153,140	146,938
Fee in Lieu of Property Taxes					1,906,663	-
Assessing And Collecting					5,866,899	-
Sales Taxes					14,371,211	-
Penalties and Interest					745,035	-
Restaurant Tax					3,182,593	-
Transient Room Tax					919,304	-
Earnings on Investments					687,825	779,327
Impact Fees					-	8,322,648
Capital Charges					(980,035)	(1,516,030)
Loss on Disposal or Impairment of Capital Assets					478,905	56,327
Miscellaneous					46,331,540	7,789,210
Total general revenues					12,468,390	7,914,891
Change in net assets					150,359,053	49,528,579
Net assets - beginning					\$ 162,827,443	\$ 57,443,470
Net assets - ending					\$ 162,827,443	\$ 57,443,470

UTAH COUNTY
Balance Sheet
Governmental Funds
December 31, 2004

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Health Fund	Substance Abuse	Capital Projects		
Assets:						
Cash and investments	\$ 8,795,271	\$ 8,462,922	\$ 904	\$ 16,511,883	\$ 17,371,381	\$ 51,142,361
Receivables:						
Taxes	9,537,720	-	-	-	2,234,751	11,772,471
Other receivables	200,463	818,093	2,083,092	-	416,090	3,517,738
Inventories	-	86,219	-	-	-	86,219
Due From Other Funds	774,000	-	-	-	-	774,000
Prepaid Expenditures	4,852	7,334	13,183	-	2,510	27,879
Total assets	<u>\$ 19,312,306</u>	<u>\$ 9,374,568</u>	<u>\$ 2,097,179</u>	<u>\$ 16,511,883</u>	<u>\$ 20,024,732</u>	<u>\$ 67,320,668</u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable and Accruals	\$ 2,351,047	\$ 354,283	\$ 420,361	\$ 308,266	\$ 557,586	\$ 3,991,543
Due to other funds	-	-	665,000	-	109,000	774,000
Deferred revenue	592,480	114,141	-	-	-	706,621
Other Liabilities	3,292,586	-	-	-	-	3,292,586
Total liabilities	<u>6,236,113</u>	<u>468,424</u>	<u>1,085,361</u>	<u>308,266</u>	<u>666,586</u>	<u>8,764,750</u>
Fund Balances:						
Reserved for:						
Transient Room Tax	-	-	-	-	1,030,000	1,030,000
Assessing and Collecting Taxes	6,489,498	-	-	-	-	6,489,498
Unreserved:						
Undesignated, reported in:						
General fund	6,586,695	-	-	-	-	6,586,695
Debt service fund	-	-	-	-	4,546,189	4,546,189
Capital projects fund	-	-	-	16,203,617	-	16,203,617
Special revenue funds	-	8,906,144	1,011,818	-	13,781,957	23,699,919
Total fund balances	<u>13,076,193</u>	<u>8,906,144</u>	<u>1,011,818</u>	<u>16,203,617</u>	<u>19,358,146</u>	<u>58,555,918</u>
Total liabilities and fund balances	<u>\$ 19,312,306</u>	<u>\$ 9,374,568</u>	<u>\$ 2,097,179</u>	<u>\$ 16,511,883</u>	<u>\$ 20,024,732</u>	<u>\$ 67,320,668</u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2004

Total fund balances for governmental funds	\$ 58,555,918
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 22,388,933	
Rights of Way	210,890	
Buildings net of accumulated depreciation of \$9,522,681	50,858,797	
Improvements other than buildings net of acc dep. \$1,240,062	4,330,641	
Equipment net of accumulated depreciation of \$8,922,024	4,517,750	
Infrastructure	<u>55,232,193</u>	137,539,204

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(792,826)
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Bond issuance costs are reported as expenditures in the governmental funds.	124,676
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Internal service funds are used by management to provide a method of charging individual funds and departments for use of facilities, communication systems, fleet, information systems support, and other services. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund unrestricted net assets at year-end are:	10,177,232
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

General obligation bonds	(19,235,000)	
Revenue bonds	(21,940,000)	
Obligations under capital leases	<u>(1,601,761)</u>	(42,776,761)
Total net assets of governmental activities		<u><u>\$ 162,827,443</u></u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2004

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Health Fund	Substance Abuse	Capital Projects		
Revenues:						
Taxes	\$ 36,619,355	\$ -	\$ -	\$ -	\$ 9,525,490	\$ 46,144,845
Licenses and Permits	96,580	-	-	-	-	96,580
Intergovernmental	4,504,488	10,953,892	4,834,340	-	2,187,318	22,480,038
Charges for Service	8,693,088	3,368,501	-	-	3,627,276	15,688,865
Fines and Forfeitures	1,376,364	-	-	-	-	1,376,364
Interest	144,828	162,273	-	260,207	120,517	687,825
Miscellaneous	38,506	-	-	-	426,598	465,104
Total revenues	51,473,209	14,484,666	4,834,340	260,207	15,887,199	86,939,621
Expenditures:						
Current:						
General Government	16,033,649	-	-	1,593,947	5,858,835	23,486,431
Public Safety	23,069,325	-	-	-	583,491	23,652,816
Public Health	11,780	16,595,952	4,724,621	-	-	21,332,353
Highways and Public Improv.	4,447,498	-	-	-	-	4,447,498
Parks and Recreation	1,727,894	-	-	-	1,898,751	3,626,645
Debt service:						
Principal retirement	-	-	-	-	3,219,288	3,219,288
Interest and fiscal charges	-	-	-	-	1,982,214	1,982,214
Total expenditures	45,290,146	16,595,952	4,724,621	1,593,947	13,542,579	81,747,245
Excess (deficiency) of revenues over (under) expenditures	6,183,063	(2,111,286)	109,719	(1,333,740)	2,344,620	5,192,376
Other financing sources (uses):						
Transfers In	2,647,384	2,548,145	236,632	6,321,522	2,558,759	14,312,442
Transfers Out	(10,281,618)	-	(185,000)	-	(4,101,695)	(14,568,313)
Total other financing sources (uses)	(7,634,234)	2,548,145	51,632	6,321,522	(1,542,936)	(255,871)
Net change in fund balances	(1,451,171)	436,859	161,351	4,987,782	801,684	4,936,505
Fund balances - beginning	14,527,364	8,469,285	850,467	11,215,835	18,556,462	53,619,413
Fund balances - ending	\$ 13,076,193	\$ 8,906,144	\$ 1,011,818	\$ 16,203,617	\$ 19,358,146	\$ 58,555,918

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2004

Net change in fund balances for governmental funds	\$ 4,936,505
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment, buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 6,793,070	
Depreciation expense	<u>(1,763,117)</u>	5,029,953

The net effect of various miscellaneous transactions involving capital assets (i.e. trade ins, disposals, or annexations).	(980,035)
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The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	2,955,000	
Interest expense - general obligation bonds	<u>(792,827)</u>	2,162,173

Internal service funds are used by management to charge the costs of information systems, fleet, building maintenance, communications, and other services to individual funds.	1,319,794
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Change in net assets of governmental activities	<u><u>\$ 12,468,390</u></u>
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The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statements of Net Assets
Proprietary Funds
December 31, 2004

	Governmental Activities — Internal Service Funds
Assets:	
Current assets:	
Cash and Investments	\$ 10,325,730
Accounts Receivable	65,060
Inventory	123,031
Total Current Assets	<u>10,513,821</u>
Non Current Assets	
Capital Assets	
Equipment, Vehicles, Furniture, Other	10,696,799
Less Accumulated Depreciation	<u>(6,874,604)</u>
Total Non Current Assets	<u>3,822,195</u>
Total Assets	<u>14,336,016</u>
Liabilities:	
Current Liabilities	
Accounts payable	<u>336,559</u>
Total liabilities	<u>336,559</u>
Net assets:	
Invested In Capital Assets	3,822,310
Unrestricted	<u>10,177,147</u>
Total net assets	<u><u>\$ 13,999,457</u></u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2004

	Governmental Activities – Internal Service Funds
Operating revenues:	
Charges For Services	\$ 11,100,321
Operating expenses:	
Salaries, Wages, Benefits	2,724,335
Supplies, Materials, Services	7,361,178
Depreciation	1,119,303
Total operating expenses	11,204,816
Operating income (loss)	(104,495)
Nonoperating income:	
Sale Capital Assets	103,884
Earnings on Investments	218,938
Total Non Operating Income	322,822
Other Financing Sources and (Uses):	
Transfers In	499,828
Transfers (Out)	(243,957)
Total Other Financing Sources and (Uses)	255,871
Change in net assets	474,198
Total net assets - beginning	13,525,259
Total net assets - ending	\$ 13,999,457

The notes to the financial statements are an integral part of these statements.

UTAH COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2004

	Governmental Activities -- Internal Service Funds
Cash flows from operating activities:	
Reciepts From Interfund Services Provided	\$ 11,158,253
Payments For Salaries, Wages, Benefits	(2,748,255)
Payments For Supplies, Materials, Services	(7,339,744)
Net cash provided by operating activities	<u>1,070,254</u>
Cash flows from noncapital financing activities:	
Operating Transfers	<u>255,871</u>
Cash flows from capital and related financing activities:	
Purchase of Capital Assets	(1,357,861)
Receipts From Sale of Capital Assets	103,844
Net cash provided by capital and related financiing activities	<u>(1,254,017)</u>
Cash flows from investing activities:	
Interest received	<u>211,886</u>
Net increase in cash and cash equivalents	283,994
Cash and cash equivalents - beginning	<u>10,041,736</u>
Cash and cash equivalents - ending	<u><u>\$ 10,325,730</u></u>
Displayed on statements of fund net assets as:	
Cash and investments	<u><u>\$ 10,325,730</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (104,495)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	1,119,303
(Increase) decrease in accounts receivable	39,816
Increase (decrease) in accounts payable	15,630
Total adjustments	<u>1,174,749</u>
Net cash provided by operating activities	<u><u>\$ 1,070,254</u></u>
Noncash investing, capital, and financing activities:	none

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Statement of Fiduciary Net Assets
Agency Funds
December 31, 2004

	<u>Agency Funds</u>
Assets:	
Cash and investments	\$ 51,395,592
Taxes Receivable	3,572,921
Accounts Receivable	<u>46,226</u>
Total assets	<u><u>\$ 55,014,739</u></u>
Liabilities:	
Due to other taxing units or entities	\$ 54,798,023
Other payables	<u>216,716</u>
Total liabilities	<u><u>\$ 55,014,739</u></u>

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Utah County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying basic financial statements present the financial position of various fund types and account groups and the results of operations of the various fund types. The basic financial statements are presented for the year ended December 31, 2004.

A. Reporting Entity

For financial reporting purposes, Utah County has included all funds and account groups. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include (1) appointing a voting majority of an organization's governing body and (2) the ability of the County to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Utah County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Utah County Auditor's office.

Discretely Presented Component Units

The component units columns in the combined financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The criteria for including the component units in the combined financial statement includes: selection of the governing board; designation of management; the ability of the County to significantly influence; and financial interdependency. Based on the above criteria, the following is a brief review of the entities that are included in the accompanying financial statements:

Timpanogos Special Service District - provides sewage treatment and disposal services for the cities and towns of Lehi, American Fork, Alpine, Pleasant Grove, Highland, Cedar Hills, Eagle Mountain and Saratoga Springs.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

North Pointe Solid Waste Special Service District - operates a transfer station for the municipalities of northern Utah County, and unincorporated areas of Utah County.

Wasatch Mental Health - provides mental health services for the residents of Utah and Wasatch Counties.

North Fork Special Service District - provides water service and fire protection to the north fork of Provo Canyon including the Sundance area.

Utah Valley Convention and Visitors Bureau - provides tourism promotion in Utah County and operates the Utah Valley Visitor Information Center.

Administrative Offices:

Utah Valley Convention & Visitors Bureau
Provo, Utah 84601
Fiscal Year Ending 12/31/03

Timpanogos Special Service District
5050 West 6400 North
American Fork, Utah 84003
Fiscal Year Ending 12/31/03

North Pointe Solid Waste Special Service District
2004 West 200 South
Lindon, Utah 84042
Fiscal Year Ending 12/31/03

Wasatch Mental Health
750 North 200 West
Provo, Utah 84601
Fiscal Year Ending 6/30/03

North Fork Special Service District
Sundance, Utah 84604
Fiscal Year Ending 12/31/03

Independent Auditor:

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report Dated February 11, 2005

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report dated May 31, 2005

Squire & Co.
1329 South 800 East
Orem, UT 84058
Report dated January 20, 2005

Hawkins, Cloward & Simister
1005 South 800 East
Orem, UT 84058
Report dated November 15, 2004

Gilbert & Stewart, CPA's
190 West 800 North #100
Provo, UT 84601
Report Dated April 6, 2005

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

Blended Component Unit:

The Municipal Building Authority was created by the County Commission for the purpose of issuing tax exempt bonds for construction of County facilities. The County Commissioners are the governing board. The financial statements are included in the County's financial statements as a blended component unit.

Related Organizations

The County officials have oversight responsibilities for other organizations that do not meet the criteria to be included as component units. These organizations include North Utah County Water Conservancy District, Mountainland Association of Governments, and Housing Authority of Utah County.

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UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

CONDENSED FINANCIAL STATEMENTS -
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF NET ASSETS

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Visitors and Convention Bureau	Wasatch Mental Health	Total
<u>ASSETS</u>						
Current Assets	\$7,261,440	\$1,872,442	\$532,078	\$266,917	\$8,160,132	\$18,093,009
Capital Assets (Net)	45,011,897	5,820,689	1,517,785	59,209	6,798,344	59,207,924
Other Assets	25,675,272	0	109,559	113,207	0	25,898,038
Total Assets	<u>77,948,609</u>	<u>7,693,131</u>	<u>2,159,422</u>	<u>439,333</u>	<u>14,958,476</u>	<u>103,198,971</u>
<u>LIABILITIES</u>						
Current Liabilities	1,925,943	647,090	92,939	35,556	3,681,982	6,383,510
Long-Term debt	35,952,842	2,937,241	283,574	0	198,334	39,371,991
Total Liabilities	<u>37,878,785</u>	<u>3,584,331</u>	<u>376,513</u>	<u>35,556</u>	<u>3,880,316</u>	<u>45,755,501</u>
<u>NET ASSETS</u>						
Net Assets	40,069,824	4,108,800	1,782,909	403,777	11,078,160	57,443,470
Net Assets	<u>\$40,069,824</u>	<u>\$4,108,800</u>	<u>\$1,782,909</u>	<u>\$403,777</u>	<u>\$11,078,160</u>	<u>\$57,443,470</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenue	\$5,558,679	\$6,311,357	\$420,465	\$983,539	\$17,474,874	\$30,748,914
Operating Expense						
Depreciation	1,576,202	260,665	97,138	6,200	406,424	2,346,629
Other	3,328,892	5,151,441	405,218	727,115	16,471,982	26,084,648
Operating Income (Loss)	<u>653,585</u>	<u>899,251</u>	<u>(81,891)</u>	<u>250,224</u>	<u>596,468</u>	<u>2,317,637</u>
Other Non-Operating						
Revenue (Expense)	6,968,456	(1,562,705)	147,004	4,539	39,960	5,597,254
Net Income	<u>7,622,041</u>	<u>(663,454)</u>	<u>65,113</u>	<u>254,763</u>	<u>636,428</u>	<u>7,914,891</u>
Net Assets - Beginning	<u>32,447,783</u>	<u>4,772,254</u>	<u>1,717,796</u>	<u>149,014</u>	<u>10,441,732</u>	<u>49,528,579</u>
Net Assets - Ending	<u>\$40,069,824</u>	<u>\$4,108,800</u>	<u>\$1,782,909</u>	<u>\$403,777</u>	<u>\$11,078,160</u>	<u>\$57,443,470</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Utah County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Substance Abuse Special Revenue Fund accounts for activities associated with the operation of the Substance Abuse Department of the County.

The Health Special Revenue Fund accounts for activity associated with the operation of the Utah County Health Department.

The Capital Projects Fund accounts for activity related to major capital improvements.

The County also reports the following nonmajor funds:

Community Development (planning), Soldier Summit District, Utah County Tourism Tax, Foster Grandparents, Municipal Building Authority, Service Area #6, Service Area #7, Service Area #8, Service Area #9, Mineral Lease Revenue, 911 Emergency, Recreation and Culture, Wildland Fire, Children's Justice, County Dispatch, Animal Shelter, and Debt Service Fund.

The County government includes internal service funds. All internal service funds assets and liabilities and net assets have been consolidated into the government-wide financial statements. Internal service funds of the County include:

Motor Pool, Jail Food Service, Building Maintenance, Radio Communications, Telephone, Equipment Replacement Fund, and Information Systems.

Additionally the County reports the following fiduciary fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer but not paid as of December 31st to the taxing entities within the County.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

The Auditor's Trust Fund includes money collected but not yet paid to various other units as of December 31st.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Deposits and Investments:

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 Years
Improvements Other Than Buildings	20 Years
Equipment	5-10 Years

The County has adopted an allowable alternative to reporting depreciation for its roads network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

Inventory:

Inventory is valued at the lower of cost (first-in, first-out) or market. Food commodity and vaccine inventory is valued at fair market value.

Compensated Absences:

At December 31, 2004, the County was liable for vacation pay and compensatory time. The liability was computed according to the personnel policy and amounted to \$2,260,589.

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

E. Budgets and Budgetary Accounting

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction. The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Commission in the month of November, the County Auditor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the County Commission makes final adjustments to the tentative budget.
4. On or before December 15, the County Commission adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Commission may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Commission.
8. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 1 (Continued)

The Fiscal Procedures Act for Utah Counties requires Counties to restrict expenditures to authorized department budgets. The combined statement of revenues, expenditures and changes in fund balance – budget and actual identifies the departments and funds which have overexpended budgeted amounts if any, and therefore, do not comply with appropriate fiscal procedures.

G. Property Tax Calendar

- | | |
|-------------|--|
| January 1 | Lien Date – All property appraised based upon situs and status as of this date (real and personal). |
| March 1 | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice. |
| June 22 | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor. |
| July 22 | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax changes are not required, the County auditor is to compute taxes and the County treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates. |
| November 1 | County auditor is to deliver the equalized assessment roll to the County treasurer with affidavit. |
| November 1 | County auditor to charge the County treasurer to account for all taxes levied. |
| November 1 | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings. |
| November 30 | Taxes on real property become delinquent. |

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 2 – CASH AND INVESTMENTS

Cash and cash equivalents consist of demand deposits, monies invested with the Utah State Public Treasurer's Investment Fund, and investments in U.S. Government funds. The different funds combine their resources to form a pool of cash which enables the County to manage cash more effectively.

The County follows the requirements of the Utah Money Management Act in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The carrying amount of the County's deposits and investments with Financial Institutions is \$112,863,683 and the bank balance is \$113,887,736 of which \$300,000 is covered by FDIC Insurance. The notes receivable investment is adjusted to fair market values, all other deposits and investments approximate fair value and no other fair value adjustments were made.

Investments and deposits are categorized into three categories of credit risk:

- (1) Insured or registered, or securities held by the government or its agent in the government's name. Deposits insured or collateralized with securities held by the entity or by its agent the entity's name.
- (2) Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the government's name. Deposits collateralized by securities held by pledging institution's trust department in the entity's name.
- (3) Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the government's name. Deposits which are uninsured and uncollateralized.

<u>Primary Government</u>	<u>1</u>	<u>Category</u>		<u>Total Bank Balance</u>	<u>Carrying Balance</u>
		<u>2</u>	<u>3</u>		
Cash on Hand	\$ 7,895	\$	\$	\$ 7,895	\$ 7,895
Cash Deposits	300,000		3,573,502	3,873,502	2,907,749
Utah State Treasurer's Pool				103,006,339	103,006,339
Notes Receivable	7,000,000			7,000,000	6,941,700
Total				<u>\$113,887,736</u>	<u>\$112,863,683</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 2 (Continued)

<u>Discretely Presented Component Units</u>	<u>Category</u>			<u>Total Bank Balance</u>	<u>Carrying Balance</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Cash Deposits & Investments	\$667,944		\$5,306,638	\$ 5,974,582	\$ 5,705,300
Utah State Treasurer's Pool				<u>8,006,719</u>	<u>8,006,719</u>
Total				<u>\$13,981,301</u>	<u>\$13,712,019</u>

NOTE 3 - INTERFUND LOANS, BALANCES, AND TRANSFERS

At December 31, 2004, the County had the following interfund balances:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$774,000	
Human Services		\$665,000
Child Justice		51,000
Dispatch		58,000
	<u>\$774,000</u>	<u>\$774,000</u>

The government-wide statement of activities eliminates transfers as reported within the segregated governmental activities columns.

The following schedule reports transfers and payments within the reporting entity:

	Transfers To					
	Governmental Activities:					
Transfers From:	General	Health	Capital	Other	Internal	
Governmental Activities:	Fund	Fund	Projects	Governmental	Service	Totals
Major Governmental Funds:			Fund	Funds	Funds	
General	\$ -	\$ 2,548,145	\$ 6,321,522	\$ 1,341,080	\$ 225,871	\$ 10,466,618
Other Governmental Funds	2,647,384	-	-	1,454,311	-	4,101,695
	<u>\$ 2,647,384</u>	<u>\$ 2,548,145</u>	<u>\$ 6,321,522</u>	<u>\$ 2,795,391</u>	<u>\$ 255,871</u>	<u>\$ 14,568,313</u>

NOTE 4 - PROPERTY TAXES

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with State law. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes becomes a lien against the property as of January 1 in the year in which due and are assessed in July through billing to the property owner. Payments are due in one installment on November 30. Tax collections are recorded as funds held in trust until disbursement.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

Primary Government Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$22,786,968	\$ 0	\$398,035	\$22,388,933
Rights of Way	168,640	42,250	0	210,890
Construction In Progress	15,756,933	0	15,756,933	0
Infrastructure	55,769,193	45,000	582,000	55,232,193
Total capital assets not being depreciated	94,481,734	87,250	16,736,968	77,832,016
Capital assets being depreciated:				
Buildings	38,775,358	21,606,090		38,775,358
Improvements other than buildings	5,237,224	333,479		5,237,224
Machinery and equipment	12,572,314	2,431,732	1,564,272	13,439,774
Total capital assets being depreciated	56,584,896	24,371,301	1,564,272	79,391,925
Less accumulated depreciation for:				
Buildings	8,326,822	1,195,859	0	9,522,681
Improvements other than buildings	1,019,408	220,654	0	1,240,062
Machinery and equipment	8,225,319	1,465,907	769,202	8,922,024
Total accumulated depreciation	17,571,549	2,882,420	769,202	19,684,767
Total capital assets, being depreciated, net	39,013,347	21,488,881	795,070	59,707,158
Governmental activities capital assets, net	\$133,495,081	\$21,576,131	\$17,532,038	\$137,539,174

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$511,811
Public Health	293,149
Public safety	642,728
Highways and public improvements	60,270
Parks and recreation	255,159
Internal Service Funds (charged to Individual funds based on usage)	1,119,303
Total depreciation expense - governmental activities	<u>\$2,882,420</u>
Total depreciation expense	<u>\$2,883,420</u>

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 6 - LONG-TERM OBLIGATIONS

Bonds

During 1986, the Municipal Building Authority of Utah County, Utah issued Lease Revenue Bonds for the purpose of constructing an office complex and parking area for use by the State of Utah and Utah County. The 1986 Series A Bonds are not general obligations but are special limited obligations of the Authority. The 1986 Series A Bonds and the interest thereon are payable solely from, and are secured by a pledge of, the Base Rentals, and the Purchase Option Price, if paid by the County, and certain other amounts derived by the Authority under the Lease with respect to the County Complex, the proceeds of certain insurance policies, performance bonds, condemnation awards and liquidation proceeds, if any, and the proceeds, if any, of the Bond Insurance Policy.

During 2001 the County issued General Obligation Refunding Bonds Series 2001 to defease portions of the outstanding 1993 Series A Refunding Bonds. Maturities for the 2001 Refunding Bonds are as follows:

2001 Refunding Bonds

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
February 15	2005	\$1,230,000	4.0%
	2006	1,285,000	4.0
	2007	1,335,000	4.0
	2008	1,390,000	4.05
	2009	1,445,000	4.15
	2010	1,510,000	4.25
	2011	1,575,000	4.35
	2012	1,645,000	4.5
	2013	1,725,000	4.6
		<u>\$13,140,000</u>	

During 2001 the Municipal Building Authority of Utah County, Utah, issued \$23,160,000 Lease Revenue Bonds for the purpose of constructing an office and health services building. These bonds are not general obligations but are special limited obligations of the Authority. The interest and principal are paid from the base rentals and purchase option if paid by the County. The bonds mature as follows:

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 6 (Continued)

Lease Revenue Bonds Series 2001

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
November 1	2005	\$1,270,000	4.00%
	2006	1,320,000	4.00
	2007	1,370,000	4.25
	2008	1,430,000	4.45
	2009	1,495,000	5.00
	2010	1,570,000	5.00
	2011	1,645,000	5.00
	2012	1,730,000	5.25
	2013	1,820,000	5.25
	2014	1,915,000	5.25
	2015	2,015,000	5.25
	2016	2,120,000	5.5
	2017	2,240,000	5.5
		<u>\$21,940,000</u>	

During 2002 the County issued General Obligation Refunding Bonds Series 2002 to defease portions of the 1993 Series B General Obligation Refunding Bonds. Maturity for the 2002 refunding bonds are as follows:

2002 Refunding Bonds

<u>Due Date</u>		<u>Principal</u>	<u>Interest Rate</u>
February 15	2005	\$ 565,000	3.5%
	2006	700,000	3.5
	2007	730,000	3.5
	2008	750,000	3.75
	2009	785,000	4.00
	2010	815,000	4.50
	2011	850,000	4.25
	2012	900,000	4.5
		<u>\$6,095,000</u>	

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 6 (Continued)

Lease Obligations

During a prior year the County entered into an agreement with Provo City Municipal Building Authority to provide annual sublease payments to the Provo City Municipal Building Authority in conjunction with construction and debt service of the Ice Sheet Arena Project. After the debt is retired, the Provo City Municipal Building Authority will transfer title of the Ice Sheet Arena to an Ice Sheet Authority of which Utah County is a 50 percent participant. Required lease payments to the Provo Municipal Building Authority is as follows:

<u>Year</u>	<u>Payment</u>
2005	\$ 264,288
2006	262,458
2007	262,428
2008	261,473
2009	261,623
2010	260,608
2011	28,883
Lease Obligation	<u>\$1,601,761</u>

A summary of the changes in the long-term debt is as follows:

	<u>Balance</u> <u>1/01/04</u>	<u>Additions</u>	<u>Deduction</u>	<u>Balance</u> <u>12/31/04</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Lease Revenue Bonds	\$ 23,160,000	\$ 0	\$1,220,000	\$21,940,000	\$1,270,000
General Obligation Bonds	20,970,000		1,735,000	19,235,000	1,795,000
Lease Obligation	1,866,049		264,288	1,601,761	264,288
Compensated Absences	<u>2,114,504</u>	<u>146,085</u>		<u>2,260,589</u>	<u>0</u>
Total	<u>\$48,110,553</u>	<u>\$ 146,085</u>	<u>\$3,219,288</u>	<u>\$45,037,350</u>	<u>\$3,329,288</u>

During the 2004 year, the County issued authorized \$2,000,000 in revenue bonds to fund certain improvements related to construction of a Cabela's store being built in Lehi. The bonds have not yet been issued and, accordingly, are not reflected in these financial statements.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 6 (Continued)

The debt service requirements of the General Obligation Bonds for the next five years and to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 3,065,000	\$ 1,859,199	\$ 4,924,199
2006	3,305,000	1,735,961	5,040,961
2007	3,435,000	1,605,236	5,040,236
2008	3,570,000	1,463,889	5,033,889
2009	3,725,000	1,311,421	5,036,421
2010	3,895,000	1,140,563	5,035,563
2011	4,070,000	959,320	5,029,320
2012	4,275,000	768,301	5,043,301
2013	3,545,000	581,351	4,126,351
2014	1,915,000	446,126	2,361,126
2015	2,015,000	345,588	2,360,588
2016	2,120,000	239,800	2,359,800
2017	<u>2,240,000</u>	<u>123,200</u>	<u>2,363,200</u>
Total	<u>\$41,175,000</u>	<u>\$12,579,955</u>	<u>\$53,754,955</u>

Compensated Absences

Employees are granted vacation and sick leave in amounts varying with tenure. An employee may accrue up to 240 hours of vacation and unlimited amounts of sick leave. Sick leave may be converted to vacation under certain options available under the plan. As of December 31, 2004, accrued compensated absences amounted to \$2,260,589.

NOTE 7 - CONTINGENT LIABILITIES - LITIGATION

Utah County has been named as a defendant in various actions. Many of these appear to be without merit; however, the outcome and amount of claims is unknown at this time.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 8 - RETIREMENT PLANS

State Retirement System

Plan Description. Utah County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers without Social Security coverage, cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers without Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. For the six months ended June 30, 2004, plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 5.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Utah County is required to contribute 9.62% of their annual covered salary. In the Public Safety Retirement System for employers without Social Security coverage contributory division members are required to contribute 10.50% of their salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 9.47% of their annual salary and 19.42% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates.

For the six months ended December 31, 2004, plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Utah County is required to contribute 9.49% of their annual covered salary. In the Public Safety Retirement System for employers without Social Security coverage contributory division members are required to contribute 10.50% of their salary (all or part may be paid by the employer for the employee) and Utah County is required to contribute 12.35% of their annual salary and 22.17% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 8 (Continued)

Utah County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2004, 2003 and 2002 were \$120,459, \$109,746 and \$104,063 respectively and for the Noncontributory Retirement System the contributions for December 31, 2004, 2003 and 2002 were \$1,898,430, \$1,561,441 and \$1,361,732 respectively and for the Public Safety Retirement System the contributions for December 31, 2004, 2003, and 2002 were \$1,584,450, \$1,283,136 and \$1,129,937 respectively. The contributions were equal to the required contributions for each year.

Utah County does not participate in the 401(K) plan offered by this system.

Utah County participates in a 457 Deferred Compensation Plan administered by the Utah State Retirement System. The Utah Retirement Systems have adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This resulted in reporting the 457 Plans as a "Trust Fund" rather than previously as an "Agency Fund". Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer. Plan assets are no longer included in the County's financial statements.

Money Purchase Pension Plan

The employees of Utah County are also covered by a Money Purchase Pension Plan administered by Mutual Benefit Life Insurance Company and Prudential Asset Management Company.

All employees of Utah County are eligible to participate except Police Officers. Utah County contributes for each participant who is exempt from the Utah State Retirement Plan 15.15% of such participant compensation. Utah County also contributes 6.25% of compensation for each other participant's compensation. The contribution for 2004 was \$2,029,417. The amount of the covered payroll was \$29,079,580 and total payroll was \$31,663,145.

Utah County also participates in a 401K plan administered by Mutual Benefit Life Insurance Company and Prudential Asset Management. The County will match contributions to the plan up to 5% of salary. Contributions during the year were \$1,213,201.

UTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2004

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the County's participation in the Utah Association of Counties Insurance Mutual. This is a pooled arrangement where the counties pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Property physical damage is insured to replacement value; automobile physical damage is insured to actual value with a \$1,000 deductible; other liability is insured up to \$1,000,000, or the statutory limit. The County also provides workers compensation coverage through the Workers Compensation Fund of Utah. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the County Commissioners approved a resolution to authorize the issuance of not more than \$40 million in sales tax revenue bond to 1) replace higher interest revenue bonds and 2) for funding of expansion of the county jail.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

UTAH COUNTY

Ratings for the County's Road System

For the year ended December 31, 2004

As allowed by GASB Statement 34, the County has adopted the modified approach for reporting, where infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction or major replacements under the modified approach.

In order to utilize the modified approach, the County is required to:

1. Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
2. Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
3. Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level disclosed by the County.
4. Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

For several years, the County has used an inventory system that evaluates the Condition and Safety of its roads. This system rates good roads with a high value and poor roads with a low value by road type. Roads are re-inventoried each year to determine current condition and safety needs. Roads in each road type with low values are then targeted for maintenance in the coming budget year.

The rating system includes the following variables: a. **Surface Type** - rated from 2 points for dirt roads to 10 points for concrete roads; b. **Surface Condition** - rated from 2 points for surface failure to 15 points for no cracking; c. **Ride-ability** - rated from 2 points for very poor to 10 points for excellent; d. **Base Conditions** - rated from 5 points for very poor to 25 points for excellent; e. **Alignment** - rated at 2 points for serious problems to 10 points for straight alignment; f. **Grade** - rated at 2 points for extensive grade problems to 10 points for no grade problems; g. **Safety Issues** - rated at 2 points for obstacles to 10 points for no issues; h. **Average Daily Traffic** - rated at 2 points for 2000 vehicles per day to 1 point for 100 vehicles per day; i. **Drainage** - rated at 2 points for very poor to 10 points for excellent; and j. **Clear Zone** - rated at 2 points for ditches too close to 10 points for ten feet of clear zone.

On 12-31-2004 the County had 47.81 miles of dirt roads, 138.27 miles of gravel roads and 349.17 miles of paved roads.

It is the County's policy to maintain its roads at or above the average rating for each class of roads. It is also the policy that 50% of the roads in each class will be maintained above the average rating and that no more than 10% of the roads in each class will be in very poor condition.

Using the above system and at the end of the 2004 year, our dirt roads were rated between 46 and 83 with an average value of 62. This amounts to 50% of the dirt roads being above average condition and 10% of the dirt roads being in very poor condition.

Using the above system and at the end of the 2004 year, our gravel roads were rated between 54 and 90 with an average value of 69. This amounts to 50% of the gravel roads being above average condition and 7% of the gravel roads being in very poor condition.

Using the above system and at the end of the 2004 year, our paved roads were rated between 56 and 116 with an average value of 90. This amounts to 58% of the paved roads being above average condition and 6% of the paved roads being in very poor condition.

Over the last five reporting years, the estimated amounts needed and actual expenditures utilized to maintain and preserve the County's road system are as follows (capital expenditures are not included):

<u>YEAR</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
2000	\$ 2,300,000	\$ 2,230,145
2001	\$ 2,400,000	\$ 2,354,293
2002	\$ 2,400,000	\$ 2,323,282
2003	\$ 2,200,000	\$ 2,006,939
2004	\$ 2,300,000	\$ 2,333,840

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Property taxes	\$ 20,712,113	\$ 20,712,113	\$ 22,248,144	\$ 1,536,031
Sales Taxes	12,750,000	12,750,000	14,371,211	1,621,211
Licenses and Permits	95,000	95,000	96,580	1,580
Intergovernmental	4,073,985	4,073,985	4,504,488	430,503
Charges for Service	8,863,291	8,263,291	8,693,088	429,797
Fines and Forfeitures	1,486,000	1,486,000	1,376,364	(109,636)
Interest and Other	1,370,913	2,500	183,334	180,834
Total revenues	49,351,302	47,382,889	51,473,209	4,090,320
Expenditures:				
Current:				
General Government	16,242,398	16,262,148	16,033,649	228,499
Public Safety	24,042,508	24,232,015	23,069,325	1,162,690
Public Health	20,000	20,000	11,780	8,220
Highway and Streets	4,825,548	4,855,548	4,447,498	408,050
Culture and Recreation	2,347,852	2,347,852	1,727,894	619,958
Total expenditures	47,478,306	47,717,563	45,290,146	2,427,417
Excess of revenues over expenditures	1,872,996	(334,674)	6,183,063	6,517,737
Other financing sources (uses):				
Transfer in	3,229,222	3,268,317	2,647,384	(620,933)
Transfer out	(10,318,905)	(12,378,905)	(10,281,618)	2,097,287
Total Other Financing Sources and (Uses)	(7,089,683)	(9,110,588)	(7,634,234)	1,476,354
Net change in fund balances	(5,216,687)	(9,445,262)	(1,451,171)	7,994,091
Fund balances - beginning	14,527,364	14,527,364	14,527,364	-
Fund balances - ending	\$ 9,310,677	\$ 5,082,102	\$ 13,076,193	\$ 7,994,091

The notes to the financial statements are an integral part of this statement.

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Health Fund
Major Special Revenue Fund
Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Fees	\$ 2,988,369	\$ 2,988,369	\$ 3,368,501	\$ 380,132
Intergovernmental	11,238,942	11,238,942	10,953,892	(285,050)
Other	-	-	162,273	162,273
Total revenues	<u>14,227,311</u>	<u>14,227,311</u>	<u>14,484,666</u>	<u>257,355</u>
Expenditures:				
Salaries, Wages and Benefits	7,436,124	7,436,124	6,885,570	550,554
Material, Supplies and Services	9,979,437	9,979,437	9,689,503	289,934
Other	94,099	94,099	20,879	73,220
Total expenditures	<u>17,509,660</u>	<u>17,509,660</u>	<u>16,595,952</u>	<u>913,708</u>
Excess (deficiency) of revenues over (under) expenditures	(3,282,349)	(3,282,349)	(2,111,286)	1,171,063
Other financing sources (uses)				
Operating transfers in	<u>2,548,145</u>	<u>2,548,145</u>	<u>2,548,145</u>	<u>-</u>
Net change in fund balances	(734,204)	(734,204)	436,859	1,171,063
Fund balances - beginning	<u>8,469,285</u>	<u>8,469,285</u>	<u>8,469,285</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,735,081</u>	<u>\$ 7,735,081</u>	<u>\$ 8,906,144</u>	<u>\$ 1,171,063</u>

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Substance Abuse Fund
Major Special Revenue Fund
Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 5,665,005	\$ 5,665,005	\$ 4,834,340	\$ (830,665)
Earnings on investments		-	-	-
Total revenues	5,665,005	5,665,005	4,834,340	(830,665)
Expenditures:				
Salaries, Wages and Benefits	2,595,330	2,595,330	2,417,830	177,500
Materials, Supplies and Services	3,167,601	3,167,601	2,298,292	869,309
Other	41,402	41,402	8,499	32,903
Total expenditures	5,804,333	5,804,333	4,724,621	1,079,712
Excess (deficiency) of revenues over (under) expenditures	(139,328)	(139,328)	109,719	249,047
Other financing sources (uses):				
Transfers in	236,632	236,632	236,632	-
Transfers out	(185,000)	(185,000)	(185,000)	-
Total other financing sources (uses)	51,632	51,632	51,632	-
Net change in fund balances	(87,696)	(87,696)	161,351	249,047
Fund balance - beginning	850,467	850,467	850,467	-
Fund balance - ending	\$ 762,771	\$ 762,771	\$ 1,011,818	\$ 249,047

**COMBINING FINANCIAL STATEMENTS
AND
SUPPLEMENTARY SCHEDULES**

Special Revenue Funds															
	Community Development	Soldier Summit	UVCVB	Foster Grand-Parents	Service Area				911 Line	Dispatch	Recreation & Culture	Wildland Fire	Childrens Justice	Debt Service	Total
					6	7	8	9							
ASSETS															
Cash & Investments	\$679,694	\$22,725	\$1,650,053	\$91,415	\$2,127,615	\$566,281	\$308,123	\$341,151	\$252,822	\$743	\$5,156,175	\$1,053,006	\$125	\$3,838,632	\$17,371,381
Taxes Receivable		2,330	115,632			394,484	131,796	121,576	30,711		624,447	22,036		707,557	2,150,589
Accounts Receivable				62,615									84,162		500,252
Prepaid Expense					2,510										2,510
Total Assets	\$679,694	\$23,055	\$1,765,685	\$154,030	\$2,130,125	\$960,765	\$639,919	\$462,727	\$283,533	\$306,938	\$5,780,622	\$1,077,062	\$84,287	\$4,546,189	\$20,024,732
Liabilities and Fund Balance															
Liabilities															
Accounts Payable	\$28,418	\$0	\$0	\$37,276	\$277,009	\$0	\$12,436	\$0	\$0	\$34,180	\$38,282	\$54,201	\$24,601	\$0	\$557,586
Due to Other Funds											\$8,000		\$1,000		109,000
Total Liabilities	28,418	0	0	37,276	277,009	0	12,436	0	0	54,180	96,282	54,201	75,601	0	666,586
Fund Balance															
Designated			1,030,000												1,030,000
Undesignated	651,276	25,055	735,685	116,454	1,853,116	960,765	627,483	462,727	283,533	341	13,905	5,726,421	8,686	4,546,189	18,338,146
Total Fund Balance	651,276	25,055	1,765,685	116,454	1,853,116	960,765	627,483	462,727	283,533	341	13,905	5,726,421	8,686	4,546,189	19,338,146
Total Liabilities and Fund Balance	\$679,694	\$23,055	\$1,765,685	\$154,030	\$2,130,125	\$960,765	\$639,919	\$462,727	\$283,533	\$306,938	\$5,780,622	\$1,077,062	\$84,287	\$4,546,189	\$20,024,732

UTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Revenue Funds										Total
	Community Development	Soldier Summit	UVCVB	Foster Grand-Parents	MBA	6	7	Service Area	8	9	
Revenues											
Taxes	\$0	\$3,120	\$919,304	\$0	\$0	\$1,161,079	\$443,962	\$427,049	\$67,095	\$0	\$9,525,490
Licenses & Permits	289,796										289,796
Intergovernmental				649,501	2,342,260						4,549,771
Charges for Services	8,670	2,343	26,088	5,794	31,433	4,225	17,007	4,272	4,230		974,220
Other	13,493	5,463	945,392	653,297	2,393,693	1,165,604	460,969	431,321	71,225		5,471,115
Total Revenue	311,959	10,926	1,990,784	1,308,092	2,767,386	2,331,008	1,521,985	1,866,642	82,550		15,887,199
Expenditures											
General Government	693,412	26,273			1,630,903				489,416		4,227,932
Health											1,630,903
Culture & Recreation			796,800	634,275						467,676	1,898,751
Intergovernmental							583,491				583,491
Debt Service			264,288		2,366,642						3,631,130
Total Expenditures	693,412	26,273	1,061,088	634,275	3,997,545	0	583,491	0	489,416		5,201,802
Excess (Deficiency) of Revenue Over Expenditures	(381,453)	(20,810)	(115,696)	21,022	(1,603,852)	1,165,604	(122,522)	431,321	71,225		(3,514,603)
Other Financing Sources (Uses)											
Transfers In	355,000			45,059		(940,000)	55,000	147,946			457,905
Transfers Out							(616,024)	(202,946)	(81,898)		(1,510,868)
Total Other Financing Sources (Uses)	355,000			45,059		(940,000)	(561,024)	(55,000)	(11,953)		(1,052,963)
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Sources	(26,453)	(20,810)	(115,696)	66,081	(1,603,852)	225,604	(683,546)	31,321	16,325		(3,557,500)
Fund Balances - Jan. 1	677,729	45,865	1,881,381	50,173	3,456,968	735,161	1,311,039	431,406	86,170		18,556,462
Fund Balances - Dec. 31	\$651,276	\$25,055	\$1,765,685	\$116,454	\$1,853,116	\$960,765	\$627,483	\$462,727	\$103,905		\$19,338,146

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
NON MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Licenses and Permits	\$272,000	\$289,796	\$17,796	\$243,297
Fees	8,000	8,670	670	8,091
Other	3,250	13,493	10,243	15,508
Total	<u>283,250</u>	<u>311,959</u>	<u>28,709</u>	<u>266,896</u>
Expenditures				
Salaries, Wages & Benefits	608,260	376,068	232,192	566,198
Materials, Supplies & Services	163,434	317,344	(153,910)	114,391
Capital Outlay	1,730	0	1,730	4,824
Total	<u>773,424</u>	<u>693,412</u>	<u>80,012</u>	<u>685,413</u>
Excess (Deficiency) of Revenue Over Expenditures	(490,174)	(381,453)	108,721	(418,517)
Other Financing Sources (Uses)				
Transfer In	<u>355,000</u>	<u>355,000</u>	<u>0</u>	<u>320,000</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	(135,174)	(26,453)	108,721	(98,517)
Fund Balance - January 1	<u>677,729</u>	<u>677,729</u>	<u>0</u>	<u>776,246</u>
Fund Balance - December 31	<u><u>\$542,555</u></u>	<u><u>\$651,276</u></u>	<u><u>\$108,721</u></u>	<u><u>\$677,729</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SOLDIER SUMMIT
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Taxes	\$2,200	\$3,120	\$920	\$2,847
Other	2,400	2,343	(57)	2,437
Total	<u>4,600</u>	<u>5,463</u>	<u>863</u>	<u>5,284</u>
Expenditures				
Materials, Supplies & Services	<u>46,000</u>	<u>26,273</u>	<u>19,727</u>	<u>5,845</u>
Total	<u>46,000</u>	<u>26,273</u>	<u>19,727</u>	<u>5,845</u>
Excess (Deficiency) of Revenue Over Expenditures	(41,400)	(20,810)	20,590	(561)
Fund Balance - January 1	<u>45,865</u>	<u>45,865</u>	<u>0</u>	<u>46,426</u>
Fund Balance - December 31	<u><u>\$4,465</u></u>	<u><u>\$25,055</u></u>	<u><u>\$20,590</u></u>	<u><u>\$45,865</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
UTAH VALLEY CONVENTION AND VISITOR BUREAU (UVCVB)
NON MAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Taxes	\$1,020,000	\$919,304	(\$100,696)	\$912,010
Other	0	26,088	26,088	33,882
Total	<u>1,020,000</u>	<u>945,392</u>	<u>(74,608)</u>	<u>945,892</u>
Expenditures				
Salaries, Wages & Benefits	0	0	0	164,737
Materials, Supplies & Services	1,151,360	796,800	354,560	717,552
Debt Service	264,288	264,288	0	264,229
Total	<u>1,415,648</u>	<u>1,061,088</u>	<u>354,560</u>	<u>1,146,518</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(395,648)</u>	<u>(115,696)</u>	<u>279,952</u>	<u>(200,626)</u>
Fund Balance - January 1	<u>1,881,381</u>	<u>1,881,381</u>	<u>0</u>	<u>2,082,007</u>
Fund Balance - December 31	<u><u>\$1,485,733</u></u>	<u><u>\$1,765,685</u></u>	<u><u>\$279,952</u></u>	<u><u>\$1,881,381</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOSTER GRANDPARENTS
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Intergovernmental	\$646,981	\$649,501	\$2,520	\$590,504
Other	8,767	5,796	(2,971)	9,069
Total	<u>655,748</u>	<u>655,297</u>	<u>(451)</u>	<u>599,573</u>
Expenditures				
Salaries, Wages & Benefits	221,266	203,363	17,903	199,923
Materials, Supplies & Services	502,881	429,854	73,027	474,918
Capital Outlay	1,058	1,058	0	5,976
Total	<u>725,205</u>	<u>634,275</u>	<u>90,930</u>	<u>680,817</u>
Excess (Deficiency) of Revenue Over Expenditures	(69,457)	21,022	90,479	(81,244)
Other Financing Sources (Uses)				
Transfer In	<u>67,457</u>	<u>45,059</u>	<u>(22,398)</u>	<u>49,815</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,000)	66,081	68,081	(31,429)
Fund Balance - January 1	<u>50,373</u>	<u>50,373</u>	<u>0</u>	<u>81,802</u>
Fund Balance - December 31	<u><u>\$48,373</u></u>	<u><u>\$116,454</u></u>	<u><u>\$68,081</u></u>	<u><u>\$50,373</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL BUILDING AUTHORITY
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Charges for Services	\$2,362,260	\$2,362,260	\$0	\$700,000
Other	2,244,440	31,433	(2,213,007)	250,093
Total	<u>4,606,700</u>	<u>2,393,693</u>	<u>(2,213,007)</u>	<u>950,093</u>
Expenditures				
Capital Outlay	2,224,440	1,630,903	593,537	9,386,448
Debt Service	2,362,260	2,366,642	(4,382)	1,150,176
Total	<u>4,586,700</u>	<u>3,997,545</u>	<u>589,155</u>	<u>10,536,624</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>20,000</u>	<u>(1,603,852)</u>	<u>(1,623,852)</u>	<u>(9,586,531)</u>
Other Financing Sources (Uses)				
Transfer In	0	0	0	
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>	
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>20,000</u>	<u>(1,603,852)</u>	<u>(1,623,852)</u>	<u>(9,586,531)</u>
Fund Balance - January 1	<u>3,456,968</u>	<u>3,456,968</u>	<u>0</u>	<u>13,043,499</u>
Fund Balance - December 31	<u><u>\$3,476,968</u></u>	<u><u>\$1,853,116</u></u>	<u><u>(\$1,623,852)</u></u>	<u><u>\$3,456,968</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 6
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Amounts</u>
Revenue				
Property Tax	\$940,000	\$1,161,079	\$221,079	\$1,148,730
Other	0	4,525	4,525	9,127
Total	<u>940,000</u>	<u>1,165,604</u>	<u>225,604</u>	<u>1,157,857</u>
Transfer To				
Law Enforcement	(940,000)	(940,000)	0	940,000
Planning				
Total	<u>(940,000)</u>	<u>(940,000)</u>	<u>0</u>	<u>940,000</u>
Excess (Deficiency) of Revenue Over Transfers	0	225,604	225,604	2,097,857
Fund Balance - January 1	<u>735,161</u>	<u>735,161</u>	<u>0</u>	<u>517,304</u>
Fund Balance - December 31	<u><u>\$735,161</u></u>	<u><u>\$960,765</u></u>	<u><u>\$225,604</u></u>	<u><u>\$2,615,161</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 7
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$450,000	\$443,962	(\$6,038)	\$436,171
Other	12,500	17,007	4,507	42,132
Total	<u>462,500</u>	<u>460,969</u>	<u>(1,531)</u>	<u>478,303</u>
Expenditures				
Fire Allotments	<u>659,727</u>	<u>583,491</u>	<u>76,236</u>	<u>352,378</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(197,227)</u>	<u>(122,522)</u>	<u>(77,767)</u>	<u>125,925</u>
Other Financing Sources (Uses)				
Transfer In	55,000	55,000	0	86,438
Transfer (Out)	<u>(616,024)</u>	<u>(616,024)</u>	<u>0</u>	<u>0</u>
Net Other Financing Sources (Uses)	<u>(561,024)</u>	<u>(561,024)</u>	<u>0</u>	<u>86,438</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>(758,251)</u>	<u>(683,546)</u>	<u>(77,767)</u>	<u>212,363</u>
Fund Balance - January 1	<u>1,311,029</u>	<u>1,311,029</u>	<u>0</u>	<u>1,098,666</u>
Fund Balance - December 31	<u><u>\$552,778</u></u>	<u><u>\$627,483</u></u>	<u><u>(\$77,767)</u></u>	<u><u>\$1,311,029</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 8
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Tax	\$360,000	\$427,049	\$67,049	\$419,522
Other		4,272	4,272	4,569
Total	<u>360,000</u>	<u>431,321</u>	<u>71,321</u>	<u>424,091</u>
Operating Transfers To				
General Fund	(45,000)	(45,000)	0	(30,000)
Planning & Zoning	<u>(355,000)</u>	<u>(355,000)</u>	<u>0</u>	<u>(320,000)</u>
Total	<u>(400,000)</u>	<u>(400,000)</u>	<u>0</u>	<u>(350,000)</u>
Excess (Deficiency) of Revenue Over Transfers	(40,000)	31,321	71,321	74,091
Fund Balance - January 1	<u>431,406</u>	<u>431,406</u>	<u>0</u>	<u>357,315</u>
Fund Balance - December 31	<u><u>\$391,406</u></u>	<u><u>\$462,727</u></u>	<u><u>\$71,321</u></u>	<u><u>\$431,406</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SERVICE AREA 9
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Amounts</u>
Revenue				
Property Tax	\$50,000	\$67,095	\$17,095	\$66,004
Other		4,230	4,230	3,802
Total	<u>50,000</u>	<u>71,325</u>	<u>21,325</u>	<u>69,806</u>
Expenditures				
Fire Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	
Excess (Deficiency) of Revenue Over Expenditures	<u>50,000</u>	<u>71,325</u>	<u>21,325</u>	<u>69,806</u>
Other Financing Sources (Uses)				
Transfer In	147,946	147,946	0	
Transfer Out	<u>(202,946)</u>	<u>(202,946)</u>	<u>0</u>	<u>(50,000)</u>
Total	<u>(55,000)</u>	<u>(55,000)</u>	<u>0</u>	<u>(50,000)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	(5,000)	16,325	21,325	19,806
Fund Balance - January 1	<u>267,208</u>	<u>267,208</u>	<u>0</u>	<u>247,402</u>
Fund Balance - December 31	<u>\$262,208</u>	<u>\$283,533</u>	<u>\$21,325</u>	<u>\$267,208</u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MINERAL LEASE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$11,000	\$6,159	(\$4,841)	\$7,049
Other Revenue		474	474	1,305
Total Revenue	11,000	6,633	(4,367)	8,354
Expenditures		0	0	
Excess (Deficiency) of Revenue Over Expenditures	11,000	6,633	(4,367)	8,354
Other Financing Sources (Uses)				
Transfer In (Out)	(91,989)	(81,898)	10,091	0
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(80,989)	(75,265)	5,724	8,354
Fund Balance - January 1	89,170	89,170	0	80,816
Fund Balance - December 31	<u>\$8,181</u>	<u>\$13,905</u>	<u>\$5,724</u>	<u>\$89,170</u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
911 LINE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$606,398	\$807,409	\$201,011	\$762,643
Misc. Income	0	12,776	12,776	11,712
Total	<u>606,398</u>	<u>820,185</u>	<u>213,787</u>	<u>774,355</u>
Expenditures				
Salaries, Wages & Benefits	470,097	336,538	133,559	307,646
Materials, Supplies & Service	249,819	152,878	96,941	364,927
Capital Outlay	11,101	0	11,101	58,875
Total	<u>731,017</u>	<u>489,416</u>	<u>241,601</u>	<u>731,448</u>
Excess (Deficiency) of Revenue Over Expenditures	(124,619)	330,769	455,388	42,907
Other Financing Sources (Uses)				
Operating Trasfers Out	<u>(27,965)</u>	<u>(27,965)</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenue Over Expenditures and Operating Transfers	(152,584)	302,804	455,388	42,907
Fund Balance - January 1	<u>733,099</u>	<u>733,099</u>	<u>0</u>	<u>690,192</u>
Fund Balance - December 31	<u><u>\$580,515</u></u>	<u><u>\$1,035,903</u></u>	<u><u>\$455,388</u></u>	<u><u>\$733,099</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DISPATCH
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$318,570	\$310,740	(\$7,830)	\$354,555
Other Revenue	0	2,276	2,276	512
Total	318,570	313,016	(5,554)	355,067
Expenditures				
Salaries, Wages & Benefits	976,758	952,215	24,543	889,580
Materials, Supplies & Services	148,160	116,589	31,571	148,010
Capital Outlay	10,356	2,335	8,021	28,349
Total	1,135,274	1,071,139	64,135	1,065,939
Excess (Deficiency) of Revenue Over Expenditures	(816,704)	(758,123)	58,581	(710,872)
Other Financing Sources (Uses)				
Transfer In	860,583	810,583	(50,000)	868,219
Transfer Out	(59,879)	0	59,879	
Total Other Financing Sources (Uses)	800,704	810,583	9,879	868,219
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses	(16,000)	52,460	68,460	157,347
Fund Balance - January 1	158,186	158,186	0	839
Fund Balance - December 31	\$142,186	\$210,646	\$68,460	\$158,186

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RECREATION AND CULTURE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Restaurant Tax	\$2,800,000	\$3,182,593	\$382,593	\$2,956,530
Intergovernmental	23,739	345,575	321,836	26,489
Misc Income	0	60,365	60,365	54,229
Total	<u>2,823,739</u>	<u>3,588,533</u>	<u>764,794</u>	<u>3,037,248</u>
Expenditures				
Recreation and Culture	<u>468,705</u>	<u>467,676</u>	<u>1,029</u>	<u>187,493</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>2,355,034</u>	<u>3,120,857</u>	<u>765,823</u>	<u>2,849,755</u>
Other Financing Sources (Uses)				
Transfer In	0	0	0	42,104
Transfer Out	<u>(3,408,942)</u>	<u>(1,832,862)</u>	<u>1,576,080</u>	<u>(1,961,562)</u>
Total	<u>(3,408,942)</u>	<u>(1,832,862)</u>	<u>1,576,080</u>	<u>(1,919,458)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>(1,053,908)</u>	<u>1,287,995</u>	<u>2,341,903</u>	<u>930,297</u>
Fund Balance - January 1	<u>4,438,426</u>	<u>4,438,426</u>	<u>0</u>	<u>3,508,129</u>
Fund Balance - December 31	<u><u>\$3,384,518</u></u>	<u><u>\$5,726,421</u></u>	<u><u>\$2,341,903</u></u>	<u><u>\$4,438,426</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WILDLAND FIRE SERVICE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$900,050	\$450,510	(\$449,540)	\$534,542
Other Revenue	20,000	15,676	(4,324)	12,400
Total Revenue	<u>920,050</u>	<u>466,186</u>	<u>(453,864)</u>	<u>546,942</u>
Expenditures				
Salaries, Wages & Benefits	1,125,492	520,715	604,777	607,509
Materials, Supplies & Services	633,144	470,595	162,549	634,888
Total Expenditures	<u>1,758,636</u>	<u>991,310</u>	<u>767,326</u>	<u>1,242,397</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(838,586)</u>	<u>(525,124)</u>	<u>313,462</u>	<u>(695,455)</u>
Other Financing Sources (Uses)				
Transfer In	650,000	650,000	0	798,490
Transfer Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>798,490</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses	<u>(188,586)</u>	<u>124,876</u>	<u>313,462</u>	<u>103,035</u>
Fund Balance - January 1	<u>945,085</u>	<u>945,085</u>	<u>0</u>	<u>842,050</u>
Fund Balance - December 31	<u><u>\$756,499</u></u>	<u><u>\$1,069,961</u></u>	<u><u>\$313,462</u></u>	<u><u>\$945,085</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ANIMAL SHELTER
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Fees	\$210,000	\$205,300	(\$4,700)	\$253,492
Misc. Income	372,980	337,688	(35,292)	69,853
Total	<u>582,980</u>	<u>542,988</u>	<u>(39,992)</u>	<u>323,345</u>
Expenditures				
Salaries, Wages & Benefits	193,303	191,784	1,519	175,129
Materials, Supplies & Service	387,877	350,998	36,879	141,080
Capital Outlay	1,800	156	1,644	6,845
Total	<u>582,980</u>	<u>542,938</u>	<u>40,042</u>	<u>323,054</u>
Excess (Deficiency) of Revenue Over Expenditures	0	50	50	291
Fund Balance - January 1	<u>291</u>	<u>291</u>		<u>0</u>
Fund Balance - December 31	<u><u>\$291</u></u>	<u><u>\$341</u></u>	<u><u>\$50</u></u>	<u><u>\$291</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHILDREN'S JUSTICE
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenues				
Intergovernmental	\$442,347	\$378,674	(\$63,673)	\$395,971
Other	0	0	0	21,077
Total	<u>442,347</u>	<u>378,674</u>	<u>(63,673)</u>	<u>417,048</u>
Expenditures				
Salaries, Wages & Benefits	343,207	341,512	1,695	329,639
Materials, Supplies & Services	104,047	55,915	48,132	63,460
Capital Outlay	30,954	16,017	14,937	12,632
Total	<u>478,208</u>	<u>413,444</u>	<u>64,764</u>	<u>405,731</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(35,861)</u>	<u>(34,770)</u>	<u>1,091</u>	<u>11,317</u>
Other Financing Sources				
Transfer In	<u>30,861</u>	<u>13,801</u>	<u>(17,060)</u>	<u>0</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures	<u>(5,000)</u>	<u>(20,969)</u>	<u>(15,969)</u>	<u>11,317</u>
Fund Balance - January 1	<u>29,655</u>	<u>29,655</u>	<u>0</u>	<u>18,338</u>
Fund Balance - December 31	<u><u>\$24,655</u></u>	<u><u>\$8,686</u></u>	<u><u>(\$15,969)</u></u>	<u><u>\$29,655</u></u>

UTAH COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
With Comparative Totals for 2003

	2004			2003
	Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)	Actual Amounts
Revenue				
Property Taxes	\$2,242,442	\$3,321,288	\$1,078,846	\$3,158,952
Other		8,673	8,673	8,080
Total	<u>2,242,442</u>	<u>3,329,961</u>	<u>1,087,519</u>	<u>3,167,032</u>
Expenditures				
Debt Service:				
Principal Retirement	1,735,000	1,735,000	0	2,430,000
Interest and Fiscal Charges	843,551	835,572	7,979	855,521
Total	<u>2,578,551</u>	<u>2,570,572</u>	<u>7,979</u>	<u>3,285,521</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(336,109)</u>	<u>759,389</u>	<u>1,095,498</u>	<u>(118,489)</u>
Other Financing Sources (Uses)				
Transfers In	336,109	481,370	145,261	753,170
Transfers Out	0	0	0	0
Total Other Source and (Uses)	<u>336,109</u>	<u>481,370</u>	<u>145,261</u>	<u>753,170</u>
Excess (Def) of Revenues and Other Sources over Expenditure and (Uses)	<u>0</u>	<u>1,240,759</u>	<u>1,240,759</u>	<u>634,681</u>
Fund Balance - January 1	<u>3,305,430</u>	<u>3,305,430</u>	<u>0</u>	<u>2,670,749</u>
Fund Balance - December 31	<u>\$3,305,430</u>	<u>\$4,546,189</u>	<u>\$1,240,759</u>	<u>\$3,305,430</u>

UTAH COUNTY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Local sources:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	260,207	260,207
Total revenues	-	-	260,207	260,207
Expenditures				
Capital Outlay	7,915,427	6,615,924	1,593,947	5,021,977
Total expenditures	7,915,427	6,615,924	1,593,947	5,021,977
Excess (deficiency) of revenues over (under) expenditures	(7,915,427)	(6,615,924)	(1,333,740)	5,282,184
Other Financing Sources (Uses)				
Transfer in	6,359,923	8,359,923	6,321,522	(2,038,401)
Transfers out	-	-	-	-
Total other financing sources (uses)	6,359,923	8,359,923	6,321,522	(2,038,401)
Net change in fund balances	(1,555,504)	1,743,999	4,987,782	3,243,783
Fund balance - beginning	11,215,835	11,215,835	11,215,835	-
Fund balance - ending	\$ 9,660,331	\$ 12,959,834	\$ 16,203,617	\$ 3,243,783

UTAH COUNTY
Combining Statement of Net Assets
Internal Service Funds
DECEMBER 31, 2004

	Internal Service Funds							
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Equipment Replacement	Total
<u>ASSETS</u>								
Current Assets								
Cash	\$4,168,625	\$1,672,768	\$760,145	\$391,542	\$2,742,975	\$312,913	\$276,762	\$10,325,730
Accounts Receivable	6,878	282	8,982	31,938	3,560	13,420		65,060
Inventory	61,606	61,425						123,031
Prepaid Expenses								0
Total Current Assets	<u>4,237,109</u>	<u>1,734,475</u>	<u>769,127</u>	<u>423,480</u>	<u>2,746,535</u>	<u>326,333</u>	<u>276,762</u>	<u>10,513,821</u>
Capital Assets								
Equipment, Vehicles, Furniture	7,361,146	44,034	759,061	1,628,949	6,900	896,709		10,696,799
Accumulated Depreciation	<u>(4,530,028)</u>	<u>(26,379)</u>	<u>(603,143)</u>	<u>(910,621)</u>	<u>(115)</u>	<u>(804,318)</u>		<u>(6,874,604)</u>
Net Property, Plant & Equipment	<u>2,831,118</u>	<u>17,655</u>	<u>155,918</u>	<u>718,328</u>	<u>6,785</u>	<u>92,391</u>	<u>0</u>	<u>3,822,195</u>
Total Assets	<u>7,068,227</u>	<u>1,752,130</u>	<u>925,045</u>	<u>1,141,808</u>	<u>2,753,320</u>	<u>418,724</u>	<u>276,762</u>	<u>14,336,016</u>
<u>LIABILITIES AND NET ASSETS</u>								
Liabilities								
Account Payable	\$34,682	\$32,305	\$16,897	\$16,748	\$172,770	\$63,157	\$0	\$336,559
Total Liabilities	<u>34,682</u>	<u>32,305</u>	<u>16,897</u>	<u>16,748</u>	<u>172,770</u>	<u>63,157</u>	<u>0</u>	<u>336,559</u>
Net Assets								
Invested in Capital Assets	2,831,118	17,655	155,918	718,328	6,900	92,391	0	3,822,310
Unrestricted	<u>4,202,427</u>	<u>1,702,170</u>	<u>752,230</u>	<u>406,732</u>	<u>2,573,650</u>	<u>263,176</u>	<u>276,762</u>	<u>10,177,147</u>
Total Net Assets	<u>\$7,033,545</u>	<u>\$1,719,825</u>	<u>\$908,148</u>	<u>\$1,125,060</u>	<u>\$2,580,550</u>	<u>\$355,567</u>	<u>\$276,762</u>	<u>\$13,999,457</u>

UTAH COUNTY
Combining Statement of Revenues, Expenses
And Changes In Net Assets
Internal Service Funds
Year Ended December 31, 2004

	Internal Service Funds							
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Equipment Replacement	Total
Operating Revenue								
Rent and Maintenance	\$0	\$0	\$0	\$0	\$5,067,253	\$0	\$0	\$5,067,253
Leases	2,386,364		618,305	656,827		957,622		4,619,118
Meal Sales		1,122,064						1,122,064
Other Revenues	107,771	4,715	623		100,221	78,556		291,886
Total Operating Revenue	2,494,135	1,126,779	618,928	656,827	5,167,474	1,036,178	0	11,100,321
Operating Expenses								
Personal Services	493,966	223,081	137,762	133,205	1,333,110	403,211		2,724,335
Supplies and Materials	982,959	745,792	283,332	436,464	4,394,821	517,810		7,361,178
Depreciation	787,513	8,807	26,123	287,497	115	9,248		1,119,303
Total Operating Expenses	2,264,438	977,680	447,217	857,166	5,728,046	930,269	0	11,204,816
Operating Income (Loss)	229,697	149,099	171,711	(200,339)	(560,572)	105,909	0	(104,495)
Non-Operating Revenue (Expense)								
Interest	82,689	25,813	15,996	9,837	78,698		5,905	218,938
Sale of Assets	103,884							103,884
Total Non-Operating Income (Expense)	186,573	25,813	15,996	9,837	78,698	0	5,905	322,822
Net Income (Loss) Before Operating Transfers	416,270	174,912	187,707	(190,502)	(481,874)	105,909	5,905	218,327
Operating Transfers In				27,965	222,205	249,658		499,828
Operating Transfers Out					(19,720)		(224,237)	(243,957)
Net Operating Transfers	0	0	0	27,965	202,485	249,658	(224,237)	255,871
Net Income (Loss) Before Capital Contributions	416,270	174,912	187,707	(162,537)	(279,389)	355,567	(218,332)	474,198
Capital Contributions	0	0	0	0	0	0	0	0
Net Income	416,270	174,912	187,707	(162,537)	(279,389)	355,567	(218,332)	474,198
Net Assets - Beg	6,617,275	1,544,913	720,441	1,287,597	2,859,939	0	495,094	13,525,259
Net Assets - End	57,033,545	51,719,825	5908,148	51,125,060	52,580,550	5355,567	5276,762	513,999,457

UTAH COUNTY
Combining Statement of Fund Cash Flows
Internal Service Funds
Year Ended December 31, 2004

	Internal Service Funds							
	Motor Pool	Kitchen	Telephone	Radio	Building Maintenance	Information Systems	Equipment Replacement	Totals
Cash flows from operating activities:								
Receipts from interfund services provided	\$ 2,493,915	\$ 1,126,472	\$ 609,946	\$ 624,889	\$ 5,280,273	\$ 1,022,758	\$ -	\$ 11,158,253
Payment for Salaries, Wages, Benefits	(512,082)	(223,081)	(137,762)	(133,205)	(1,333,110)	(403,211)	(5,804)	(2,748,255)
Payment for Supplies, Materials, Services	(970,508)	(727,141)	(333,805)	(446,397)	(4,407,240)	(454,653)	-	(7,339,744)
Net cash provided (used) by operating activities	<u>1,011,325</u>	<u>176,250</u>	<u>138,379</u>	<u>45,287</u>	<u>(460,077)</u>	<u>164,894</u>	<u>(5,804)</u>	<u>1,070,254</u>
Cash flows from noncapital financing activities:								
Operating transfers	-	-	-	27,965	202,483	249,658	(224,237)	255,871
Cash flows from capital and related financing activities:								
Purchases of capital assets	(997,621)	-	(125,730)	(125,971)	(6,900)	(101,639)	-	(1,357,861)
Receipts from sale of capital assets	103,844	-	-	-	-	-	-	103,844
Net cash provided (used) by capital and related act.	<u>(893,777)</u>	<u>-</u>	<u>(125,730)</u>	<u>(125,971)</u>	<u>(6,900)</u>	<u>(101,639)</u>	<u>-</u>	<u>(1,254,017)</u>
Cash flows from investing activities:								
Interest received	82,689	18,761	15,996	9,837	78,698	-	5,905	211,886
Net increase in cash and cash equivalents	<u>200,237</u>	<u>195,011</u>	<u>28,645</u>	<u>(42,882)</u>	<u>(185,794)</u>	<u>312,913</u>	<u>(224,136)</u>	<u>283,994</u>
Cash and Cash Equivalents - Beginning	<u>3,968,388</u>	<u>1,477,757</u>	<u>731,500</u>	<u>434,424</u>	<u>2,928,769</u>	<u>-</u>	<u>500,898</u>	<u>10,041,736</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,168,625</u>	<u>\$ 1,672,768</u>	<u>\$ 760,145</u>	<u>\$ 391,542</u>	<u>\$ 2,742,975</u>	<u>\$ 312,913</u>	<u>\$ 276,762</u>	<u>\$ 10,325,730</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 229,697	\$ 149,099	\$ 171,711	\$ (200,339)	\$ (560,572)	\$ 105,909	\$ -	\$ (104,495)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and Amortization	787,513	8,807	26,123	287,497	115	9,248	-	1,119,303
(Increase) decrease in accounts receivable	(18,136)	(307)	(8,982)	(31,938)	112,799	(13,420)	-	39,816
Increase (decrease) in accounts payable	12,451	18,651	(50,473)	(9,933)	(12,419)	63,157	(5,804)	15,630
Total adjustments	<u>781,628</u>	<u>27,151</u>	<u>(33,332)</u>	<u>245,626</u>	<u>100,495</u>	<u>58,985</u>	<u>(5,804)</u>	<u>1,174,749</u>
Net cash provided (used) by operating activities	<u>\$ 1,011,325</u>	<u>\$ 176,250</u>	<u>\$ 138,379</u>	<u>\$ 45,287</u>	<u>\$ (460,077)</u>	<u>\$ 164,894</u>	<u>\$ (5,804)</u>	<u>\$ 1,070,254</u>
Noncash investing, capital, and financing activities:	none	none	none	none	none	none	none	none

UTAH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance January 1 2004	Additions	Deductions	Balance December 31 2004
<u>Auditor's Trusts</u>				
Assets				
Cash	\$3,793,197	\$2,686,653	\$2,775,349	\$3,704,501
Accounts Receivable	12,641	33,585		46,226
Due from Other Funds	0			0
Total	<u>\$3,805,838</u>	<u>\$2,720,238</u>	<u>\$2,775,349</u>	<u>\$3,750,727</u>
Liabilities				
Accounts Payable	\$136,343	\$80,373		\$216,716
Due Other Governments	3,669,495	2,639,865	2,775,349	3,534,011
	<u>\$3,805,838</u>	<u>\$2,720,238</u>	<u>\$2,775,349</u>	<u>\$3,750,727</u>
<u>Treasurer's Trust</u>				
Assets				
Cash	\$65,415,552	\$413,444,301	\$431,168,762	\$47,691,091
Taxes Receivable	4,337,916		764,995	3,572,921
Total Assets	<u>\$69,753,468</u>	<u>\$413,444,301</u>	<u>\$431,933,757</u>	<u>\$51,264,012</u>
Liabilities				
Due Other Governments	<u>\$69,753,468</u>	<u>\$413,444,301</u>	<u>\$431,933,757</u>	<u>\$51,264,012</u>
<u>Totals - All Agency Funds</u>				
Assets				
Cash	\$69,208,749	\$416,130,954	\$433,944,111	\$51,395,592
Taxes Receivable	4,337,916	0	764,995	3,572,921
Accounts Receivable	12,641	33,585	0	46,226
Due from Other Funds	0	0	0	0
Total Assets	<u>\$73,559,306</u>	<u>\$416,164,539</u>	<u>\$434,709,106</u>	<u>\$55,014,739</u>
Liabilities				
Due to Other Governments	\$73,422,963	\$416,084,166	\$434,709,106	\$54,798,023
Accounts Payable	136,343	80,373	0	216,716
Total Liabilities	<u>\$73,559,306</u>	<u>\$416,164,539</u>	<u>\$434,709,106</u>	<u>\$55,014,739</u>

UTAH COUNTY
Combining Statement of Net Assets
Discretely Presented Component Units
December 31, 2004

ASSETS	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Visitors Bureau	Wasatch Mental Health	Total
Current Assets						
Cash	\$5,604,912	\$1,367,735	\$313,739	\$224,832	\$6,200,801	\$13,712,019
Accounts Receivable	1,622,294	472,622	152,824		1,826,234	4,073,974
Taxes Receivable			65,515			65,515
Inventory	2,760			6,508		9,268
Other	31,474	32,085		35,577	133,097	232,233
Total	7,261,440	1,872,442	532,078	266,917	8,160,132	18,093,009
Capital Assets						
Land	2,017,807	1,309,668	95,583	0	1,250,000	4,673,058
Construction in Progress	0	0	0	0	0	0
Depreciable Assets - Net	42,994,090	4,511,021	1,422,202	59,209	5,548,344	54,534,866
Total	45,011,897	5,820,689	1,517,785	59,209	6,798,344	59,207,924
Other Assets	25,675,272		109,559	113,207	0	25,898,038
Total Assets	77,948,609	7,693,131	2,159,422	439,333	14,958,476	103,198,971
LIABILITIES & NET ASSETS						
Current Liabilities						
Accounts Payable	\$216,964	\$184,550	\$14,224	\$21,640	\$480,576	\$917,954
Accrued Interest	71,566		3,167		490,961	565,694
Deferred Revenue					757,121	757,121
Other Current Liabilities	43,413	79,760	7,243	13,916	1,953,324	2,097,656
Current Portion of Long-Term Deb	1,594,000	382,780	68,305			2,045,085
Total Current Liabilities	1,925,943	647,090	92,939	35,556	3,681,982	6,383,510
Long-Term Liabilities						
Mortgage or Leases Payable		2,937,241				2,937,241
Bonds Payable	35,952,842		283,574			36,236,416
Compensated Absences					198,334	198,334
Total Long-Term Liabilities	35,952,842	2,937,241	283,574	0	198,334	39,371,991
Total Liabilities	37,878,785	3,584,331	376,513	35,556	3,880,316	45,755,501
Net Assets						
Invested In Capital Assets - Net	7,465,055	2,500,668	1,165,906	0	6,310,492	17,442,121
Restricted For Debt Service	25,673,291		45,800			25,719,091
Unrestricted	6,931,478	1,608,132	571,203	403,777	4,767,668	14,282,258
Total Net Assets	\$40,069,824	\$4,108,800	\$1,782,909	\$403,777	\$11,078,160	\$57,443,470

UTAH COUNTY
Combining Statement of Revenues, Expenses and Changes in Net Assets
Discretely Presented Component Units
Year Ended December 31, 2004

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Vistors Bureau	Wasatch Mental Health	Total
Operating Revenue						
Charges for Services	\$5,558,679	\$6,311,357	\$420,465	\$983,539	\$17,474,874	\$30,748,914
Operating Expense						
Cost of Services	1,654,360	1,070,615	173,564	364,344	12,294,704	15,557,587
General and Administrative	1,674,532	4,080,826	231,654	362,771	4,177,278	10,527,061
Depreciation	1,576,202	260,665	97,138	6,200	406,424	2,346,629
Total Operating Expense	4,905,094	5,412,106	502,356	733,315	16,878,406	28,431,277
Operating Income (Loss)	653,585	899,251	(81,891)	250,224	596,468	2,317,637
Nonoperating Revenue (Expenses)						
Interest Revenue	633,182	18,906	6,874	0	120,365	779,327
Interest Expense and Fiscal Charges	(1,987,374)	(186,148)	(18,434)	0		(2,191,956)
Other Revenue (Expense)	8,322,648	(1,395,463)	158,564	4,539	(80,405)	7,009,883
Total Nonoperating Revenue (Exp.)	6,968,456	(1,562,705)	147,004	4,539	39,960	5,597,254
Net Income (Loss)	7,622,041	(663,454)	65,113	254,763	636,428	7,914,891
Net Assets - Beginning	32,447,783	4,772,254	1,717,796	149,014	10,441,732	49,528,579
Net Assets - Ending	<u>\$40,069,824</u>	<u>\$4,108,800</u>	<u>\$1,782,909</u>	<u>\$403,777</u>	<u>\$11,078,160</u>	<u>\$57,443,470</u>

UTAH COUNTY
Combining Statement of Cash Flows
Discretely Presented Component Units
Year Ended December 31, 2004

	Timpanogos Special Service District	North Pointe Solid Waste Special Service District	North Fork Special Service District	Utah Valley Convention and Visitors Bureau	Wasatch Mental Health	Totals
Cash flows from operating activities:						
Cash Received From Customers	\$ 5,558,679	\$ 6,441,591	\$ 389,329	\$ 927,456	\$ 16,016,697	\$ 29,333,752
Payment for Salaries, Wages, Benefits	(1,654,360)	(1,070,615)	(170,575)	(359,593)	(11,773,106)	(15,028,249)
Payment for Supplies, Materials, Services	(2,178,153)	(4,271,818)	(220,814)	(403,379)	(4,058,102)	(11,132,266)
Net cash provided (used) by operating activities	1,726,166	1,099,158	(2,060)	164,484	185,489	3,173,237
Cash flows from noncapital financing activities:						
Property Taxes Collected	-	-	146,938	-	-	146,938
Cash flows from capital and related financing activities:						
Purchase of Capital Assets	(169,376)	(5,761)	(159,529)	(58,998)	(224,926)	(618,590)
Proceeds From Sale of Capital Assets	-	120,145	-	-	3,241	123,386
Proceeds From Issuance of Long Debt Debt	-	-	-	-	-	-
Interest Paid on Long Term Debt	(1,987,374)	(186,149)	(18,434)	-	-	(2,191,957)
Principal Paid on Long Term Debt	(1,189,000)	(195,503)	(86,842)	-	-	(1,471,345)
Impact Fees and Capital Facility Fees	8,322,648	-	11,626	-	-	8,334,274
Net cash provided (used) by capital and related	4,976,898	(267,268)	(253,179)	(58,998)	(221,685)	4,175,768
Cash flows from investing activities:						
Receipt of Note Receivable	-	-	-	-	8,762	8,762
Land Lease Receipts	-	3,670	-	-	-	3,670
Interest Received	633,182	18,906	6,874	4,540	138,403	801,905
Net cash provided (used) by investing activities	633,182	22,576	6,874	4,540	147,165	814,337
Net increase in cash and cash equivalents	7,336,246	854,466	(101,427)	110,026	110,969	8,310,280
Cash and Cash Equivalents - Beginning	23,941,957	513,269	460,966	114,806	6,842,732	31,873,730
Cash and Cash Equivalents - Ending	\$ 31,278,203	\$ 1,367,735	\$ 359,539	\$ 224,832	\$ 6,953,701	\$ 40,184,010
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 653,585	\$ 899,251	\$ (81,891)	\$ 250,223	\$ 355,133	\$ 2,076,301
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,576,202	260,665	97,138	5,666	405,727	2,345,398
(Increase) decrease in accounts receivable	(459,727)	118,623	(33,136)	-	(853,375)	(1,227,615)
(Increase) decrease in prepaid expenses	9,129	(290)	2,000	(95,266)	(23,216)	(107,643)
Increase (decrease) in accounts payable	(6,723)	(140,043)	11,348	(890)	216,151	79,843
Increase (decrease) in accrued liabilities	(29,785)	(39,048)	2,989	4,751	85,069	23,976
Increase (decrease) in retention payable	(2,656)	-	-	-	-	(2,656)
Increase (decrease) in accrued interest	(13,859)	-	(508)	-	-	(14,367)
Total adjustments	1,072,581	199,907	79,831	(85,739)	(169,644)	1,096,936
Net cash provided (used) by operating activities	\$ 1,726,166	\$ 1,099,158	\$ (2,060)	\$ 164,484	\$ 185,489	\$ 3,173,237
Noncash investing, capital, and financing activities:	none	none	none	none	none	none

UTAH COUNTY
STATEMENT OF TAXES LEVIED, COLLECTED, AND TREASURER'S RELIEF
FOR THE YEAR ENDED DECEMBER 31, 2004

Taxing Units	Total Real Centrally Assessed Value	Total Personal Property Value	Real & Centrally Assessed RDA Value	Less: Personal Property RDA Value	Adjusted Real Property Value	Adjusted Personal Property Value	RDA Adjusted Taxable Value	Current YR Property Tax Rate	Prior YR Personal Property Tax Rate	Real & Cent. Real Totals Charged	Personal Property Totals Charged	Total Taxes Charged
Alpine City	\$438,309,650	\$3,617,238	\$438,309,650		\$438,309,650	\$3,617,238	\$438,309,650	0.001298	0.001316	\$568,926	\$7,392	\$576,318
Alpine School	8,525,497.113	540,558.856	(543,765.017)	(126,632.965)	8,071,732.096	413,929.591	8,485,661.687	0.008119	0.007884	65,534.393	3,263.421	68,797.814
American Fork	909,364.520	53,871.311	(53,237.102)	(16,002.622)	852,007.418	37,868.689	889,876.107	0.002298	0.002345	1,957.913	88.802	2,046.715
Benjamin Cemetery	40,021.647	156,772			40,021.647	156,772	40,021.647	0.000190	0.000179	7.604	28	7,632
Cedar Fort Town	1,005,333	628.204			10,833.334	1,005.333	11,838.667	0.000860	0.000876	9.317	881	10,197
Cedar Hills	243,132.940	628.204			243,132.940	628.204	243,761.144	0.001700	0.001898	413.326	1,192	414.518
Central Utah Water	15,362,729.710	1,099,699.430	(698,069.816)	(162,047.209)	14,664,659.894	937,652.221	15,602,312.115	0.000353	0.000358	5,176.625	335.679	5,512.304
Drapers	38,942.423	14,868			38,942.423	14,868	38,957.291	0.001327	0.001354	51.677	20	51,697
Eagle Mountain	289,552.669	1,502.256			289,552.669	1,502.256	291,054.925	0.001861	0.001692	538.858	2,542	541,399
Elkridge	71,479.797	971.929			71,479.797	971.929	72,451.726	0.002209	0.002304	157.899	2,239	160,138
Genola	32,481.689	341.012			32,481.689	341.012	32,822.701	0.001071	0.001066	34.788	364	35,151
Goshute	16,350.765	431.179			16,350.765	431.179	16,781.944	0.000371	0.000374	6.066	161	6,227
Highland	483,336.605	5,173.593			483,336.605	5,173.593	488,510.200	0.001445	0.001460	698.421	7,553	705,975
Jordan Valley Wtr	35,092.620				35,092.620	0	35,092.620	0.000392	0.000397	13.756	0	13,756
Lehi	1,031,838.136	123,203.146	(114,300.209)	(86,142.877)	917,537.927	37,060.269	954,598.196	0.002462	0.002541	2,238.978	94,170	2,333,149
Lehi Metro Water	1,031,838.136	123,203.146	(114,300.209)	(86,142.877)	917,537.927	37,060.269	954,598.196	0.000010	0.000013	9.175	482	9,657
London	515,338.681	64,658.939	(57,840.823)	(12,770.843)	457,497.858	51,888.056	509,385.954	0.001837	0.001874	840.424	97,238	97,662
Mapleton	268,608.107	2,299.550			268,608.107	2,299.550	270,907.657	0.002374	0.002613	691.397	6,009	6,700
Nebo	3,440,264.505	258,678.235	(57,511.720)	(15,124.898)	3,382,752.785	243,553.337	3,626,306.122	0.009247	0.009087	31,280.315	1,969.616	33,249.931
North Fork Fire & Water	166,139.569	4,309.392			166,139.569	4,309.392	170,448.961	0.000946	0.001278	137.168	5,763	162,931
North, Utah Co. Water	4,120,666.117	219,636.245	(179,350.897)	(98,937.585)	3,941,315.220	120,698.660	4,062,013.880	0.000035	0.000036	137.946	4,343	142,291
Orem	3,088,648.933	224,408.711	(288,324.811)	(14,603.994)	2,800,324.122	209,804.717	3,010,128.839	0.001800	0.001698	5,040.583	356,248	5,396,832
Orem Metro Water	3,088,648.933	224,408.711	(288,324.811)	(14,603.994)	2,800,324.122	209,804.717	3,010,128.839	0.000041	0.000041	120.414	8,602	129,016
Payson	456,106.335	32,280.446	(31,826.544)	(5,777.602)	424,279.791	26,532.844	450,812.635	0.001579	0.001584	669.938	42,660	711,997
Pleasant Grove	785,682.957	24,734.674	(17,439.334)	(868.455)	768,243.623	23,866.219	792,109.842	0.002477	0.002617	1,902.939	62,458	1,965,397
Provo City	3,396,968.092	300,462.339	(103,293.817)	(16,533.520)	3,293,674.275	283,928.819	3,576,603.094	0.002273	0.002276	9,456.974	788,186	10,245,161
Provo School Dist.	3,396,968.092	300,462.339	(103,293.817)	(16,533.520)	3,293,674.275	283,928.819	3,576,603.094	0.006234	0.006071	20,520.285	1,723.732	22,244.017
Salem	160,222.557	6,614.540			160,222.557	6,614.540	166,837.097	0.001595	0.001615	255.555	10,682	266,237
Santaquin	140,519.464	3,369.421			140,519.464	3,369.421	144,088.885	0.001961	0.001959	275.559	6,992	282,551
Saratoga Springs	249,284.895	3,552.033			249,284.895	3,552.033	252,836.928	0.001561	0.001559	388.635	5,545	394,180
Service Area #6	1,011,492.108	33,666.764			1,011,492.108	33,666.764	1,045,158.872	0.001078	0.001110	1,090.388	37,370	1,127,759
Service Area #7	680,862.237	26,894.341			680,862.237	26,894.341	707,756.578	0.000604	0.000608	411.241	16,997	428,238
Service Area #8	680,862.237	26,894.341			680,862.237	26,894.341	707,756.578	0.000381	0.000381	395.581	16,932	411,933
Service Area #9	330,451.865	6,772.423			330,451.865	6,772.423	337,224.288	0.000196	0.000195	64.769	1,321	66,089
Soldier Summit	178,006				178,006	0	178,006.000	0.001809	0.001880	322	0	322
South Valley Sewer Dist	34,818.789		(25,685.176)	(9,397.296)	34,818.789	0	34,818.789	0.000515	0.000516	17.932	0	17,932
Spanish Fork	782,269.399	84,542.605			782,269.399	84,542.605	831,779.512	0.001320	0.001303	998.691	97,914	1,096,606
Springville	866,647.519	103,962.697			866,647.519	103,962.697	970,610.216	0.001846	0.001808	1,599.831	187,963	1,787,796
Traverse Ridge	35,092.620				35,092.620	0	35,092.620	0.003307	0.003120	123.070	0	123,070
State Assess. & Collect.	15,362,729.710	1,099,699.430	(545,548.895)	(66,896.798)	14,817,180.815	1,032,802.632	15,849,983.447	0.000180	0.000181	2,667.093	186,937	2,854,030
Local Assess. & Collect.	15,362,729.710	1,099,699.430	(545,548.895)	(66,896.798)	14,817,180.815	1,032,802.632	15,849,983.447	0.000180	0.000177	2,667.093	182,806	2,849,899
Utah County	15,362,729.710	1,099,699.430	(698,069.816)	(162,047.209)	14,664,659.894	937,652.221	15,602,312.115	0.000878	0.000862	12,875.571	808,236	13,683,828
Utah County Jail Bond	15,362,729.710	1,099,699.430	(698,069.816)	(162,047.209)	14,664,659.894	937,652.221	15,602,312.115	0.000817	0.000819	2,742.321	179,092	2,921,383
Vineyard	11,701.022	22,090.035			11,701.022	22,090.035	33,791.057	0.004736	0.004736	55.416	44,180	99,596
Woodland Hills	63,617.113	96.615			63,617.113	96.615	63,713.728	0.001801	0.001699	114.574	164	114,739
American Fork RDA			47,611.354	11,926.253	47,611.354	11,926.253	59,537.607	0.012230	0.011051	582.287	145,858	728,145
American Fork Egg Farm			9,745.748	4,076.369	9,745.748	4,076.369	13,822.117	0.011870	0.011870	158.682	48,387	164,069
Lehi RDA			13,344.088	269.530	13,344.088	269.530	13,613.618	0.011896	0.011896	158.741	3,206	161,948
Lehi RDA (Micron)			100,956.121	85,873.347	100,956.121	85,873.347	186,829.468	0.011536	0.011536	1,164.630	990,635	2,155,265
Lindon Redevelopment			57,840.823	12,770.843	57,840.823	12,770.843	70,611.666	0.011734	0.011734	678.704	149,853	149,853
Orem RDA			131,233.898	10,844.468	131,233.898	10,844.468	142,078.366	0.011740	0.011740	1,540.686	127,314	1,668,000
Orem RDA (ADDL)			157,090.913	3,759.526	157,090.913	3,759.526	160,850.439	0.003621	0.003621	568.826	13,613	582,439
Payson RDA			15,087.180	1,678.391	15,087.180	1,678.391	16,765.571	0.011495	0.011495	173.427	19,293	192,720
Payson RDA Bus Park			16,739.364	4,049.211	16,739.364	4,049.211	20,788.575	0.011135	0.011135	186.393	45,088	231,481
Pleasant Gr RDA			17,439.334	868.455	17,439.334	868.455	18,307.789	0.012049	0.012049	210.127	10,464	220,591
Provo RDA			105,295.817	16,533.520	105,295.817	16,533.520	121,829.337	0.010885	0.010885	1,146.145	179,967	1,326,112
Spanish Fork RDA			18,044.822	9,114.267	18,044.822	9,114.267	27,159.089	0.011236	0.011236	202.572	102,408	305,160
Spanish Fork Canyon			7,640.354	283.029	7,640.354	283.029	7,923.383	0.010876	0.010876	83.096	3,078	86,175
Grand Totals	\$117,782,780,746	\$8,330,373,381	\$113,399,935,027	(\$977,907,362)	\$113,399,935,027	\$7,552,466,019	\$120,752,399,056			\$181,311,214	\$12,990,923	\$194,302,137

* Penalties and interest are included in redemptions.

UTAH COUNTY
STATEMENT OF TAXES LEVIED, COLLECTED, AND TREASURER'S RELIEF
FOR THE YEAR ENDED DECEMBER 31, 2004

Taxing Units	Treasurer's Relief			Total Treasurer's Relief	Current Year Taxes Collected	Current Collection Rate	Other Collections			Delinquent Collections *		
	Unpaid Taxes	Abate- ments	Other				Fee In Lieu Motor Vehicles	Misc. Collections	Tax	Interest/ Penalty		
Alpine City	\$32,767	\$817	\$19,770	\$53,354	\$523,364	90.74%	\$79,567	\$13,877	\$36,954	\$1,733		
Alpine School	4,414,065	200,168	550,307	5,164,540	63,633,274	92.49%	9,317,974	1,576,769	4,321,663	194,295		
American Fork	136,543	9,363	1,732	147,638	1,899,077	92.79%	288,480	19,442	116,119	7,544		
Benjamin Cemetery	304	44	177	525	7,107	93.12%	598	352	488	19		
Cedar Fort Town	1,414	27	25	1,466	8,731	85.62%	3,045	141	1,065	42		
Cedar Hills	34,802	937	18,668	54,407	360,111	86.87%	54,333	2,872	61,083	1,456		
Central Utah Water	328,089	16,108	117,002	461,199	5,051,105	91.63%	717,252	111,244	398,808	18,691		
Drapet	3,532	109	4,834	8,475	43,222	83.61%	632	22,284	5,025	90		
Eagle Mountain	40,679	372	15,921	56,972	484,427	89.48%	73,742	26,904	36,894	1,021		
Elkridge	6,242	338	3,742	10,322	149,816	93.55%	26,537	3,030	6,821	141		
Genola	1,388	151	1,031	2,570	32,381	92.69%	6,871	2,481	2,007	64		
Goshute	395	68	204	667	5,560	89.29%	2,014	55	849	32		
Highland	30,064	1,784	23,289	55,137	650,838	92.19%	108,459	22,283	55,446	1,143		
Jordan Valley Wtr	1,013	32	1,395	2,440	11,316	82.26%	140	6,531	1,274	24		
Lehi	160,347	4,642	(180,349)	(15,360)	2,368,509	100.65%	352,406	109,647	(35,509)	5,193		
Lehi Metro Water	651	19	(329)	341	9,316	96.47%	1,432	488	8	26		
Lindon	75,694	1,350	370	77,414	860,248	91.74%	117,262	11,432	54,197	2,810		
Mapleton	33,135	2,763	19,520	55,418	641,988	92.05%	100,657	28,071	44,931	1,124		
Nebo	1,689,489	121,758	668,843	2,480,090	30,769,841	92.54%	4,503,908	839,503	1,798,331	70,933		
North Fork Fire & Water	5,576	8	21,234	26,818	136,113	83.54%	876	384	9,350	214		
North, Utah Co. Water	8,928	421	1,322	10,671	131,620	92.50%	21,134	4,324	8,481	407		
Orem	319,082	20,117	64,949	404,148	4,992,684	92.51%	762,758	44,372	399,982	19,910		
Orem Metro Water	7,622	481	1,643	9,746	119,270	92.45%	18,221	1,064	9,658	481		
Payson	40,263	4,414	8,046	52,723	659,274	92.60%	118,266	13,318	37,895	1,984		
Pleasant Grove	100,648	8,326	44,975	153,949	1,811,448	92.17%	323,823	39,973	150,730	5,066		
Provo City	583,368	22,435	243,420	849,223	9,395,958	91.71%	1,140,056	84,235	896,929	44,212		
Provo School Dist.	1,265,825	48,681	541,661	1,856,167	20,387,850	91.66%	2,473,771	190,770	1,929,688	94,835		
Salem	11,494	1,546	3,456	16,496	249,741	93.80%	48,110	7,871	18,007	721		
Santaquin	22,576	1,148	6,155	29,879	232,672	89.43%	56,173	2,078	30,621	1,255		
Service Area #6	56,426	477	11,111	68,014	326,166	82.75%	50,347	20,127	73,366	2,918		
Service Area #7	67,867	1,718	64,220	133,805	993,954	88.14%	57,336	50,988	63,843	2,628		
Service Area #8	28,596	943	32,102	61,641	366,597	85.61%	31,137	17,027	29,100	1,218		
Service Area #9	27,507	907	30,881	59,295	352,638	85.61%	29,951	16,379	27,984	1,170		
Service Area #9	3,046	6	1,306	4,358	61,731	93.41%	306	3,752	2,254	85		
Soldier Summit	126	0	1	127	195	60.56%	135	41	62	9		
South Valley Sewer Dist	1,331	42	1,888	3,261	14,671	81.81%	157	8,574	1,633	29		
Spanish Fork	47,889	3,606	23,934	75,429	1,021,177	93.12%	165,662	16,629	49,054	1,881		
Springville	85,891	5,959	79,472	171,322	1,616,474	90.42%	221,141	38,503	124,950	5,345		
Traverse Ridge	9,061	289	12,060	21,410	101,660	82.60%	1,253	58,015	10,200	188		
State Assess. & Collect.	167,297	8,213	76,621	252,131	2,601,899	91.17%	365,733	56,647	199,012	9,359		
Local Assess. & Collect.	167,297	8,213	73,041	248,551	2,601,348	91.28%	365,733	56,303	199,445	9,460		
Utah County	823,273	40,419	257,329	1,121,021	12,562,807	91.81%	1,783,954	356,199	964,972	585,265		
Utah County Jail Bond	166,570	8,178	70,296	245,044	2,676,339	91.61%	379,954	70,918	204,512	124,352		
Vineyard	12,760	52	(35,906)	(23,094)	122,690	123.19%	4,809	5,884	2,688	206		
Woodland Hills	5,603	161	3,414	9,178	105,561	92.00%	13,697	1,600	14,498	499		
American Fork RDA	73,483			73,483	654,662	89.91%						
American Fork Egg Farm				0	164,069	100.00%						
Lehi RDA	35,066			35,066	126,882	78.35%						
Lehi RDA (Micron)				0	2,155,265	100.00%						
Lindon Redevelopment	45,468			45,468	783,089	94.51%						
Orem RDA	39,122			39,122	1,628,877	97.65%						
Orem RDA (ADDL)	143,756			143,756	438,683	75.32%						
Payson RDA	40,259			40,259	152,461	79.11%						
Payson RDA Bus Park	47,048			47,048	184,433	79.68%						
Pleasant Gr RDA	42,174			42,174	178,417	80.88%						
Provo RDA	178,062			178,062	1,148,050	86.57%						
Spanish Fork RDA	11,606			11,606	293,554	96.20%						
Spanish Fork Canyon	10,869			10,869	75,306	87.39%						
Grand Totals	\$11,693,449	\$347,610	\$2,904,783	\$15,345,842	\$179,156,295		\$24,191,802	\$3,963,381	\$12,385,368	\$1,220,078		

REPORTS AND SCHEDULES REQUIRED BY:

**SINGLE AUDIT ACT
GOVERNMENT AUDITING STANDARDS
UTAH STATE LEGAL COMPLIANCE**

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<u>Corporation for National Service</u>			
Foster Grandparent Program	94.011		\$ 269,356
Senior Companion Program	94.016		248,755
Total Corporation for National Service			<u>518,111</u>
<u>U.S. Department of Agriculture</u>			
Passed Through Utah State Dept. of Administrative Svc.			
Schools and Roads - Grants to States - Forest Reserve	10.665		75,432
Passed Through State Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children-Client Services	10.557	04-1260	642,426
Special Supplemental Nutrition Program for Women, Infants, and Children-Client Services	10.557	04-1260	203,511
Special Supplemental Nutrition Program for Women, Infants, and Children-Breast Feeding	10.557	04-1260	63,044
Special Supplemental Nutrition Program for Women, Infants, and Children-Breast Feeding	10.557	05-1240	21,941
Special Supplemental Nutrition Program for Women, Infants, and Children-Nutrition	10.557	04-1260	166,347
Special Supplemental Nutrition Program for Women, Infants, and Children-Nutrition	10.557	04-1260	53,815
Special Supplemental Nutrition Program for Women, Infants, and Children-Food (Commodities)	10.557		6,356,736
Special Supplemental Nutrition Program for Women, Infants, and Children-Administration	10.557	04-1260	146,375
Special Supplemental Nutrition Program for Women, Infants, and Children-Administration	10.557	05-1240	24,852
Summer Food Service Program-Environmental	10.559	04-2180	12,500
Total U.S. Department of Agriculture			<u>7,766,979</u>
<u>U.S. Department of Transportation</u>			
Passed Through State Department of Public Safety			
State & Community Highway Safety (Car Seat)	20.602	OP04-04-03	12,885
State & Community Highway Safety (Car Seat)	20.602	OP05-04-03	7,739
State & Community Highway Safety	20.600	CP04-02-20	15,706
Passed Through Utah Dept. of Transportation			
Highway Planning & Construction	20.205	00-8327	12,025
Total U.S. Department of Transportation			<u>48,355</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through State Dept. of Health & Human Services			
Block Grants for Prevention & Treatment of Substance Abuse - Treatment	93.959	03-0038	15,463
Block Grants for Prevention & Treatment of Substance Abuse - Treatment	93.959	03-0038	1,352,164

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
U.S. Dept. of Health and Human Services (Continued)			
Passed Through State Dept. of Health & Human Services			
Cooperative Agreements for State-Based Diabetes Control Programs & Evaluation of Surveillance Systems	93.988	03-2148	\$ 1,233
Cooperative Agreements for State-Based Diabetes Control Programs & Evaluation of Surveillance Systems	93.988	04-2148	1,750
Cooperative Agreements for State-Based Diabetes Control Programs & Evaluation of Surveillance Systems	93.988	04-2057	2,625
Block Grants for Prevention & Treatment of Substance Abuse - Prevention	93.959	03-0038	295,640
Maternal and Child Health Services Block Grants to States	93.994	03-2097	21,791
Maternal and Child Health Services Block Grants to States	93.994	04-0034	22,521
Maternal and Child Health Services Block Grants to States	93.994	04-2254	65,374
Maternal and Child Health Services Block Grants to States	93.994	04-2253	41,169
Maternal and Child Health Services Block Grants to States	93.994	03-2148	5,500
Maternal and Child Health Services Block Grants to States	93.994	03-2057	15,685
Maternal and Child Health Services Block Grants to States	93.994	04-2254	60,300
Preventive Health & Health Services Block Grant	93.991	03-2148	568
Preventive Health & Health Services Block Grant	93.991	04-2057	31,977
Preventive Health & Health Services Block Grant	93.991	04-2057	5,440
Preventive Health & Health Services Block Grant	93.991	03-2148	12,381
Preventive Health & Health Services Block Grant	93.991	03-2148	1,910
Preventive Health & Health Services Block Grant	93.991	03-2148	12,170
Immunization Grants	93.268	03-2097	41,595
Immunization Grants	93.268	04-2254	3,500
Immunization Grants	93.268	03-2097	3,500
Immunization Grants	93.268	04-2254	41,595
Immunization Grants - Vaccine (Commodities)	93.268		621,853
Medical Assistance Program	93.778	03-2060	33,286
Medical Assistance Program	93.778	04-2194	25,509
Medical Assistance Program	93.778	03-2060	1,523
Medical Assistance Program	93.778	04-2194	5,583
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	02-3036	1,100
Preventive Health Services - Sexually Transmitted Diseases			
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	04-1820	10,000
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	04-1820	3,350
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	04-1820	3,350
HIV Prevention Activities - Health Department based	93.940	04-1820	8,500
HIV Prevention Activities - Health Department based	93.940	04-1820	3,304

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
U.S. Dept. of Health and Human Services (Continued)			
Passed Through State Dept. of Health and Human Services			
Centers for Disease Control & Prevention - Investigations and Technical Assistance - EPHTP	93.283	04-0052	\$ 30,000
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cardiovascular	93.283	03-2148	5,450
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Comprehensive Tobacco	93.283	04-2057	24,195
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer	93.283	03-2148	41,119
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	03-2148	22,715
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer	93.283	04-2057	45,704
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer	93.283	04-2057	6,000
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	2,240
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	24,839
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Cancer Screen	93.283	04-2057	1,171
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism/Health Alert	93.283	05-0459	107,530
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	04-1381	264,042
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism	93.283	04-1381	25,481
Centers for Disease Control & Prevention - Investigations Technical Assistance - Bioterrorism	93.283	04-1262	100,519
Centers for Disease Control & Prevention - Investigations Technical Assistance - Bioterrorism	93.283	04-1262	2,324
Passed Through Utah Assoc. of Local Health Departments			
Centers for Disease Control & Prevention - Investigations and Technical Assistance - Bioterrorism/Health Alert	93.283		38,770
Passed Through Mountainland Assoc. of Governments			
Medical Assistance Program	93.778		9,315
Medical Assistance Program	93.778		6,939
Special Programs for the Aging - Title III, Part B Grants for Supportive Services & Senior Centers	93.044		923
Special Programs for the Aging - Title III, Part B Grants for Supportive Services & Senior Centers	93.044		479
Special Programs for the Aging - Title III, Part B Grants for Supportive Services & Senior Centers	93.044		5,000

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
U.S. Dept. of Health and Human Services (Continued)			
Passed Through State Dept. of Health & Human Services			
Consolidated Knowledge & Development	93.230	02-1354	\$ 116,420
Consolidated Knowledge & Development	93.230		155,463
Substance Abuse and Mental Health Services	93.243		188,986
Social Services Block Grant	93.667		6,403
Social Services Block Grant	93.667		9,436
Social Services Block Grant	93.667		5,000
Social Services Block Grant	93-667		3,132
Maternal and Child Health Federal Consolidated Programs	93.110	04-2254	2,564
Total US Dept. of Health & Human Services			<u>4,025,368</u>
<u>U.S. Department of Justice</u>			
State Criminal Alien Assistance Program	16.606		46,737
Local Law Enforcement Block Grant	16.592		5,616
Local Law Enforcement Block Grant	16.592		7,194
Passed Through State Comm. on Criminal & Juv. Justice			
Crime Victim Assistance - Child Abuse Treatment	16.575	03-Voca-50	38,431
Crime Victim Assistance - Child Abuse Treatment	16.575	04-Voca-48	35,316
Crime Victim Assistance - VOCA	16.575	04-Voca-50	15,566
Crime Victim Assistance - VOCA	16.575	03-Voca-49	28,782
Crime Victim Assistance - Treatment Coordinator	16.575	04-Voca-49	16,237
Crime Victim Assistance - Treatment Coordinator	16.575	03-Voca-48	26,492
Crime Victim Assistance - Victim/Witness Coordinator	16.575	04-Voca-47	21,767
Crime Victim Assistance - Victim/Witness Coordinator	16.575	03-Voca-46	19,049
Passed Through National Children's Alliance			
Missing Children's Assistance	16.543	Provo-071-PS04	8,500
Missing Children's Assistance	16.543	Provo-071-PS04	5,000
Passed Through State Department of Human Services			
Byrne Formula Grant Program - Correction/CIAO	16.579	03-0038	2,375
Byrne Formula Grant Program - Correction/CIAO	16.579	45-366-2D89	19,242
Total U.S. Department of Justice			<u>296,304</u>
<u>Environmental Protection Agency</u>			
Passed Through Utah Dept. of Environmental Quality			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	05-0570	45,220
Capitalization Grants for Drinking Water State Revolving Funds	66.468	04-0190	44,690
Total Environmental Protection Agency			<u>89,910</u>

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through State Department of Public Safety			
Emergency Management Performance Grants - FEMA	97.042	SLA-2004-DES-0024	45,000
Chemical Stockpile Emergency Preparedness Program	97.040	DES-CSEPP-2003-004	253,927
Chemical Stockpile Emergency Preparedness Program	97.040	DES-CSEPP-2004-004	50,810
State Domestic Preparedness Equipment Support Program	97.004	DES-2003-DDP2-08	212,807
State Domestic Preparedness Equipment Support Program	97.004	DES-2003-CIP-013	60,750
Total U.S. Department of Homeland Security			<u>623,294</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 13,368,321</u>

UTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the County expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

NOTE B - IMMUNIZATION VACCINE

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Ending inventory is reflected in the financial statements as deferred revenue. Ending inventory at December 31, 2004 is \$86,219 for the vaccines.

NOTE C - ACCOUNTS RECEIVABLE

The financial statements include accounts receivable from federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect federal awards that have been expended by yearend and not yet reimbursed.

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**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Utah County
Provo, UT

June 17, 2005

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County as of and for the year ended December 31, 2004, which collectively comprise Utah County's basic financial statements and have issued our report thereon dated June 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

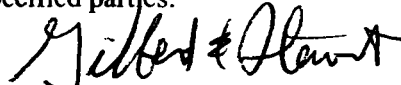
In planning and performing our audit, we considered Utah County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Utah County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of Utah County in a separate letter dated June 17, 2005.

This report is intended solely for the information and use of the audit committee, management, County Commission, Utah State Auditor and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Utah County
Provo, UT

June 17, 2005

Compliance

We have audited the compliance of Utah County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended December 31, 2003. Utah County's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Utah County's management. Our responsibility is to express an opinion on Utah County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Utah County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Utah County's compliance with those requirements.

In our opinion, Utah County complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of Utah County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Utah County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Utah County as of and for the year ended December 31, 2004 and have issued our report thereon dated June 17, 2005. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Utah County's basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the county commission, management, Utah State Auditor, and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


GILBERT & STEWART
Certified Public Accountants

UTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Utah County.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Utah County were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Utah County expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Utah County are reported in Part C of this schedule.
7. The programs tested as major programs included: WIC 10.557, Centers for Disease Control 93.283, and Cluster of Foster Grandparents 94.011 and Senior Companion 94.016.
8. The threshold for distinguishing Types A and B programs was \$401,050.
9. Utah County was determined to be a low-risk auditee under OMB Circular A-133 Standards.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS

None

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS

None

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**INDEPENDENT AUDITOR'S REPORT
ON LEGAL COMPLIANCE WITH APPLICABLE
UTAH STATE LAWS AND REGULATIONS**

Utah County
Provo, Utah

June 17, 2005

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the remaining aggregate fund information of Utah County as of and for the year ended December 31, 2004, and have issued our report thereon dated June 17, 2005. As part of our audit, we have audited Utah County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2004. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)
Substance Abuse (Department of Human Service)
Liquor Law Enforcement (State Tax Commission)
Minimum Performance (Department of Health)
Childrens Justice Center (State Attorney General)
Drug Court (Department of Human Services)

The County also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of the County's financial statements.)

EMS (Department of Health)
Medical Supervision (Department of Health)
Indoor Clean Air (Department of Health)
Summer Food (Department of Health)
LHD Liaison (Department of Health)
LHD Environmental Services (Departments of Health and Environmental Quality)
Tobacco-Prevention and Control (Department of Health)
DHS High Risk Teen (Department of Human Service)
Youth Correction (Department of Human Service)
Livestock Predator Control (Department of Agriculture and Food)
River Enhancement (Parks & Recreation)
Historical Preservation
Tobacco – Compliance Checks (Department of Health)
WIC Tobacco Cessation (Department of Health)

State Treatment – Meth (Department of Health)
MAG Volunteer (HCBA (RVP)
Polling Place Accessibility (Office of Lieutenant Governor)
DHS Success by Six (Department of Human Services)
Infant Development Immunization (Department of Health)
MAG Transportation (Mountainland's Association of Governments)
Search & Rescue (Department of Health)
Lincoln Beach (Utah Division of Wildlife Resources)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt	Special Districts
Cash Management	Department of Commerce (Building Permits)
Purchasing Requirements	Statement of Taxes Charged, Collected, and Disbursed
Budgetary Compliance	Assessing and Collecting Property Taxes
Property Tax	Other General Compliance Requirements
Transient Room Tax	Impact Fees
Justice Courts Compliance	


The management of Utah County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

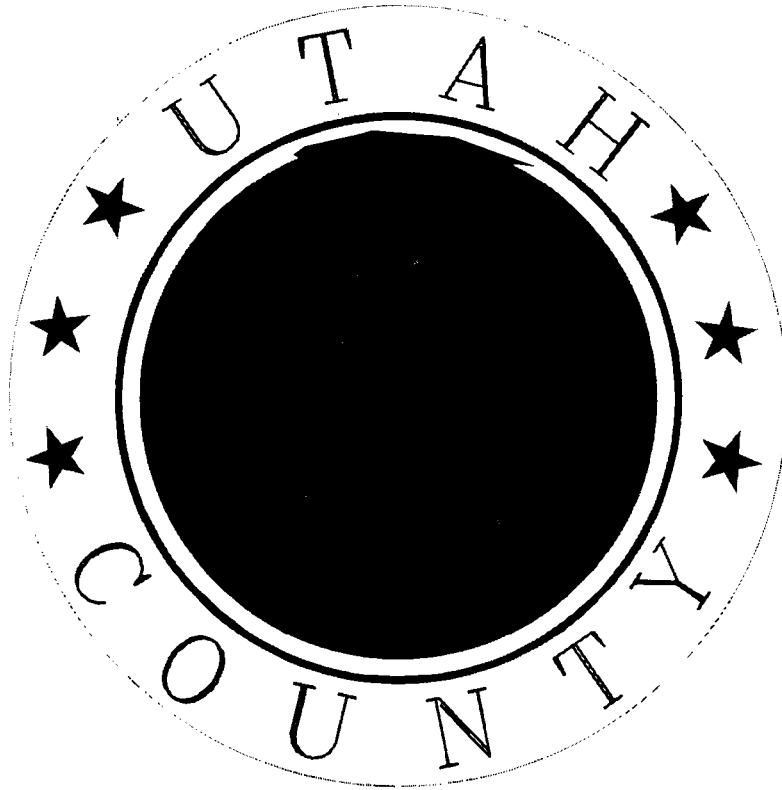
The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Utah County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

This report is intended solely for the information of management and the Utah State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


GILBERT & STEWART
Certified Public Accountants

UTAH COUNTY



MANAGEMENT LETTER

FISCAL YEAR ENDING DECEMBER 31, 2004

County Government

**Utah County Auditor's Office
100 East Center Street, Suite 3600
Provo, Utah 84606**

Independent Auditors

**Gilbert & Stewart
Certified Public Accountants
A Professional Corporation**

UTAH COUNTY
MANAGEMENT LETTER
DECEMBER 31, 2004

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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June 17, 2005

Utah County
Provo, UT

The primary purpose of our audit of the financial statements of Utah County for the year ended December 31, 2004, was to enable us to form an opinion as to the financial position of the County at that date and the results of its operations for the year then ended. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against fraud and theft which a test examination may not disclose. In this letter, we are presenting for your consideration, our comments and recommendations on matters which came to our attention during the course of our audit.

This letter does not include items noted as reportable conditions which are communicated in the internal control reports included with your general purpose financial statements. The letter also does not include findings and questioned costs associated with Federal programs. These findings and questioned costs are communicated in the Schedule of Findings and Questioned Costs included with the general purpose financial statements. Please refer to these reports and schedules and take appropriate actions.

State Compliance Findings - Current Year

04-1. General Compliance - Building Code Standards

Finding: Utah Code, Section 58-56-9 (4) mandates that each compliance agency shall charge a 1% surcharge on all building permits issued and shall remit 80% of the surcharge collected to the Division of Occupational and Professional Licensing to be deposited into the General Fund as a dedicated credit to be utilized by the division to provide inspectors with the necessary training, education, and testing in order to meet the minimum qualifications to become licensed as building inspectors. The 1% surcharge should be charged on all inspection fees. However, it is not required on plan check fees or on impact fees.

Each county municipality is required to file a quarterly report on a form provided by the division indicating the total amount collected for building permits within their jurisdiction. The report further breaks down the computation to the .8%, which is to be paid to the division with the filing of the report. The report with the remittance is to be mailed to the Division of Occupational and Professional Licensing no later than 30 days following the end of each quarter.

All reports and fees were paid to the State; however, the third quarter report and payment were filed and sent late. This was an oversight in the agency and not a usual occurrence.

Recommendation: We recommend that the County file all reports and make appropriate payments in a timely manner.

County's Response: This instance was isolated and we have systems in place to help ensure that filings and payments will be made timely in the future.

State Compliance Findings - Prior Year

03-1. Fund Balance Restrictions-General Fund

Finding: Utah Code 17-36-16(2) limits the fund balance in the general fund to 20% of the total revenues of the general fund for the current fiscal year. We noted during our audit that the general fund balance is in excess of amounts allowed by law.

Recommendation: We recommend that the County take appropriate actions to bring the fund balance into compliance with state law.

County's Response: Appropriate transfers have been made during the mid year budget changes and we are now in compliance with state law.


Status: The county made the required transfers and expenditures to bring the fund balance into line with State law.

Other Matters For Consideration

1. During our audit we preformed procedures associated with *Utah Code 24-1-4* regarding compliance with property seizures and forfeitures. The Utah Code requires detail inventory listings, tracking of seized property, and tracking of any forfeitures through disposition. An annual report is required to be filed with the Utah Commission on Criminal and Juvenile Justice and the State Auditor. We found it difficult to perform these procedures and it was not clear which department or individual was actually overseeing these requirements. We recommend that the County implement procedures to properly track and report as required. This process should include a department or individual who is ultimately responsible for the reports and filings.
2. During our audit we preformed various procedures on the County's capital assets. We noted that there are several different locations where assets records are kept. In particular records regarding depreciation. We noted that the County does not have a good centralized capital assets system. We recommend that the County purchase or write and centralized capital assets and depreciation system. This will help eliminate duplication of effort and any discrepancies.

We will be happy to discuss any of the above items or any other matters of concern. Please call us with any questions.

Sincerely

A handwritten signature in cursive script, appearing to read "Gilbert & Stewart", written over the printed name.

GILBERT & STEWART
Certified Public Accountants